



# CEPU COMMUNICATIONS BRANCH (SA-NT) TELECOMMUNICATIONS NEWSLETTER



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## Welcome to our December Telecommunications Newsletter

### Christmas Greetings

As 2009 draws to a close on what can only be described as a particularly difficult and frustrating year for CEPU Officials and members alike, all at the SA / NT Branch Office would like to wish every member, and their families, a very safe, enjoyable and relaxing Christmas and a happy, healthy and prosperous New Year, as 2010 may well be an even greater challenge.



### Merry Christmas!

Please note that the Branch Office will be closed from 4:00 pm, Thursday, 24<sup>th</sup> December, 2009, and re-open at 8:30 am on Monday, 4<sup>th</sup> January, 2010.

The Branch Office telephones will be diverted to Officials' mobile phones as listed below :-

- |                          |                             |              |
|--------------------------|-----------------------------|--------------|
| <b>Graham Lorrain</b>    | (Postal issues)             | 0419 807285  |
| <b>Nick Townsend</b>     | (Postal issues)             | 0402 456 514 |
| <b>John Lee</b>          | (Telecommunications issues) | 0418 807 683 |
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### Response to Thodey's staff bulletin - from a member

Reproduced below is the response submitted by a member to the David Thodey / Andrea Grant e-Mail distributed to Telstra employees on the 8th December. The Branch obtained permission from the member to publish his response in this Newsletter because, in our view, he has absolutely 'nailed it'!!!

"This email from Andrea Grant highlights why Industrial Action was taken last Friday. Despite a change of CEO, Telstra is still resorting to grubby spin to try and deceive their employees.

Seems as you were looking for responses from staff to take back to XXXXXX, may I offer some?

## Response to Thodey's staff bulletin - from a member (cont)

I would like this to be discussed in our next Team Brief, and if we all agree, this should be forwarded on, rather than simply being left as a local issue.

- *"Unfortunately, the unions have now said that they won't follow through on their compromise and have rejected the above offer."* - This is not true. The Unions put Telstra's proposal to their members, with the recommendation that it was a fair compromise. The *members* instructed the Union to reject the deal. Members across the country are able to add up, and everyone has done similar calculations as we did in SA/NT to determine we would be over \$10,000 worse off than our ECA cousins if we accepted this deal. The Members instructed the Union to push for 4.5%, 4%, & 4%. Sound familiar? Only difference to us is Members Nationally also wanted to push for the 2.5% 'Sign On Bonus'. It seems Telstra is unable to fathom that members of the Union are Telstra employees. **Telstra has to realise it is their employees who do not like this deal - not the Union.**

- *"it is offered in a year in which others in our workforce received 2% increases (on average)"* - Those people on AWA's have received a max 2% pay increase this year. On top of a 4% rise last year. And pay rises around 0.4% in excess of the Award the three years previous to that. We know those on the ECA are into the second year of their agreement, so they are now enjoying a 4% increase this year, following the 4.5% rise they received last year. Who, apart from those in this EA negotiation has received less than 2% to drag the average back down?

- *"and we froze pay for the executive team."* - Is this a serious comment? See the attached document which is an extract from last years Annual Report given to the ASX. It lists our Senior Executive remuneration for 2007 and 2008. From this, the average pay rise Executives enjoyed in 2008 was 30.5%. Following on from similar pay rises executives enjoyed in the years previous that. The smallest pay increase was for Kate McKenzie who "only" got a 10.6% increase. Most notable was Bruce Akhurst at 67%, and Greg Winn at **96% !!!** I would struggle to find a single employee who would not agree to accept a complete pay freeze next year if Telstra granted us a 30% rise this year. Does Telstra realise the 30% rise for Executives last year alone is QUADRUPLE the total accumulated pay rises (7.5%) Employees have received since 2005? To even bring into the discussion a single year pay freeze for Executives is offensive to me.

- *"So what happens next? We've told the unions that our door remains open. However, if the parties don't agree on the pay offer, there is not much more to talk about for the time-being."* - This is supposed to be a Telstra Bargaining Update. In the official spiel you gave us during the Team Brief last week, we were told that Telstra was waiting for a response from the Union in regards the year 2 increase from 3% to 4%. Telstra's official line was they alone had their employees interests at heart. They upped the Year 2 rise to 4% despite no official response from the Union. Again - this is not true. The Union presented the offer to it's members, who rejected it. The Union presented that rejection back to Telstra, along with our counter proposal. **Why lie to us?** What benefit does Telstra gain by doing this, other than to give us the impression the Union was not acting on our behalf, or in our interests. If Telstra has not heard anything from the Union, how is it they know the offer has been rejected?

*"We made a commitment to put forward a fair offer and treat individuals with respect."* - Employees instructed the Union to table at least a 4.5% rise in the first year. I believe Telstra have rejected this, and is what led to last weeks Industrial Action. Why is this not being conveyed as part of Telstra's Bargaining Update. All well and good to say the *"door remains open"*, but if serious proposals have been put on the table at the request of employees, Telstra should at least give us the courtesy of a response. This does not look to me like we are being treated with respect?

It needs to be pushed back to senior Telstra Management that we are not happy with either Telstra's pay offer, or their conduct during pay negotiations. Its is easy to make out the Union is not representing our interests, but surely our Management gives us more credit than that. If we were all so unintelligent, why did Telstra hire us in the first place?"

**Name withheld.**

## Telstra: CEPU re-launches industrial campaign

Following strong indications from members that the latest Telstra E.A. pay proposal is not acceptable, the CEPU has re-launched its industrial action campaign against the company.

The reactivation of the campaign comes after a series of membership surveys, consultations and teleconferences about a proposed pay rise of 10% over three years as opposed to the 12.5% that was offered in Telstra's Employee Collective Agreements (ECAs). Although the EA proposal also includes a 2.5% 'Sign On Bonus' in the first year, this does not count for salary purposes, leaving EA employees (continued on page 2) (continued from page 1) worse off than their ECA counterparts.



Peaceful assembly at the Kewdale Depot.

The CEPU advised Telstra that members simply could not accept an offer that left them at least \$10,000 short compared to ECA employees, especially at a time when Telstra was returning near-record profits. Telstra's Super Board is saying that Australia's economy is currently the strongest in the developed world and Telstra has just returned a near-record profit of \$4.1 Billion, up 10% from last year. To argue that the cupboard's bare in these circumstances is too much. This is not a company that's about to go to the wall if it pays its workforce fairly.

The CEPU has told Telstra that members want at least the same pay rise as was offered to those who picked up ECAs as well as compensation for going without any rise since the last EA based increase in October 2007.

The Union has proposed that the company pay the full 4.5% as salary in the first year, plus the Sign On Bonus of 2.5%.

## Industrial action campaign: Telstra's legal bid fails

Telstra has failed in its bid to stop the CEPU's Industrial Action campaign aimed at securing a fair EA in the company, a bid made despite the company's constant denials that such action was having any impact on their business.

On Thursday, 3rd December, and again on Friday, 4th December, Telstra filed applications in Fair Work Australia for an order to stop the CEPU's use of indefinite stoppages as part of our industrial strategy.

Telstra argued that because the CEPU's indefinite stoppage notices did not specify the exact locations or the exact time of day of the proposed industrial action, Telstra was not being given a proper opportunity to take defensive action to deal with the disruption to its business.

That, in turn, the company argued, meant that the notices were not legal and so the CEPU's action was

## Industrial action campaign: Telstra's legal bid fails (cont)

unprotected.

Deputy President Lawler disagreed, arguing that it was not necessary for a union undertaking nation-wide action to specify each and every workplace that would be affected. He also said that there was no need for a notice to specify the exact time of a stoppage as long as the notices said what day the action was going to occur.

The decision effectively confirms the right of union members to maintain some element of surprise in their industrial tactics within the narrow limits allowed by current law.

Predictably, Telstra has appealed the decision which will be heard on 11th December.

## Broadcast Australia: new discussions delayed

Broadcast Australia (B.A) has told the CEPU it does not wish to enter into a fresh round of EA discussions until January next year. The delay will mean no pay rise before Xmas for B.A. employees.

The CEPU had proposed an immediate resumption of negotiations in the wake of the recent 'NO' vote against B.A.'s proposed agreement.

Last month, B.A. employees overwhelmingly rejected a proposed Enterprise Agreement which the CEPU had warned did not sufficiently address their concerns.

BA has now acknowledged the obvious – that these concerns are real and not a figment of the CEPU's imagination. However, the company says that it now wants time to consult more widely with its staff so as to determine a way forward.

The CEPU has sent Broadcast Australia a number of draft clauses which we believe will resolve the issues that our members want to see addressed, including classification structures, overtime and penalty payments, and call out arrangements.

It is to be hoped that B.A. Employees are not now penalised for what has been management's failure to listen and that any agreement reached next year will include back-pay for time lost in reaching a new agreement.



BA employees will have to wait until the New Year for a new Enterprise Agreement

## Nextgen wins NBN backhaul tender



Leighton's Nextgen will roll-out 6,000ks of new fibre backhaul links, duplicating existing capacity.

Leighton Holding's wholesale telecommunications carrier, Nextgen, has been awarded the whole of the \$250 Million Government tender to build new fibre backhaul links in rural and regional Australia.

The Government's Regional Backhaul Blackspots Programme (RBBP) was announced in April as part of the package of initiatives aimed at driving high speed broadband availability and take-up across Australia. The programme will involve the construction of six new fibre backhaul links, one in each state and territory (with the exception of ACT) and is expected to take 18 months.

The project is based on a 'Build-Own-Operate' model, with Nextgen being able to add its own fibre on top of the Government-owned section of the network, and being required to operate and maintain the links for five years. While the Government capacity on the links will be used for wholesale services only, Nextgen will be able to act as a retailer if it chooses.

Locations to be served by the new links include Broken Hill, Geraldton and Darwin. As CEPU Members would be aware, these towns are already served by Telstra. In this sense, characterising them as "blackspots" is somewhat inaccurate. But Internet Service Providers and Carriers have long argued that the absence of backhaul competition in many parts of Australia has allowed Telstra to hold prices at unreasonable levels and that this has made competitive provision of broadband uneconomic in much of rural and regional Australia.

It remains to be seen, however, whether the creation of the duplicate backhaul networks will indeed lead to

## Opposition anoints Work Choices diehard

The Liberal Party crisis has seen the elevation of Tony Abbot, an arch-conservative and WorkChoices true believer, to leadership of the Federal Opposition.

Abbott won notoriety in 2007 when an amateur video recorded at an electoral function captured him admitting that WorkChoices had removed important employee protections.

But this didn't really matter, said Abbott, as if you were being abused or exploited by one employer the answer was simply to find another.

Easy – unless perhaps there wasn't another or you couldn't afford to be out of work while you looked for one.



Tony Abbott: would like to revisit WorkChoices?

As recently as July, Abbott has said that a Coalition Government would have to “revisit” workplace relations laws because Labor had gone too far in winding back Howard’s “reforms”.

He repeated the message at his press conference on becoming leader, saying that while WorkChoices is dead, Australia still needed to have a “free and flexible economy.”

ACTU President Sharan Burrow warned that this message was a barely disguised promise by Abbott to do the bidding of big business and bring back the Liberals’ hardline industrial relations laws. “It is code for a return to WorkChoices,” she said.

“It would be terribly unfair for working Australians to face even greater job insecurity when so many have lost their jobs or faced cuts to their hours of work through the Global Financial Crisis.”

Abbott is also on record as suggesting that the retirement age should be raised to at least 70.

## Cash for comment: Telstra asks customers what's wrong?

Telstra wants its customers to help it sort out its service problems.

With complaints to the Telecommunications Industry Ombudsman about Telstra doubling last year, the company says it is reaching out to customers to find out just what it needs to do to lift its game.



Workplace stress lead to poorer service

It wants 18,000 customers nationally to spend 10 minutes a fortnight on on-line surveys and discussions. Participants will be eligible for cash prizes. **How good is that?**

## Cash for comment: Telstra asks customers what's wrong? (continued)

But what about feedback from the supply side of the service equation?

Telstra employees have their own insights into the causes of the company's service problems:

- Job reductions;
- Increasing workplace pressures in both customer-facing and field workforce operations;
- The introduction of performance-based and piece-rate pay systems; and, of course,
- The use of cheap off-shore labour to replace domestic staff.

Many Telstra employees would be only too happy to spend 10 minutes a fortnight explaining these facts of life to David Thodey and his team if they thought they would really get a hearing – and have confidentiality guaranteed.

### More on Telstra's cash for comment

Telstra's cash for comment is under scrutiny following the revelation that a former Telstra spin doctor is spruiking the telco's new customer feedback campaign.

This person left Telstra's employment in 2002 has worked since in corporate relations and currently runs her own PR outfit.

Whilst appearing on radio and TV as an angry Telstra customer as part of the company's new "My Telstra Experience" it now appears this person has links back into the company.

Members might like to go to the following web link for the full story to make up their own mind:

[Telstra's Cash for Comment](#)

Telstra received 104,000 customer complaints last year.

## Industrial action decision sets important precedent

In a decision that has implications for the wider union movement, Fair Work Australia (FWA) has ruled that members of the Australian Worker Union (AWU) were not taking unlawful industrial action when they abandoned strike plans and returned to work.

The AWU had notified Boral Resources that it would conduct 24-hour stoppages on Monday 9th and Tuesday 10th November at its Dunmore quarry, near Kiama on the NSW south coast. The company accepted that it had been properly notified of the action.

But the union and employees later decided against proceeding with the second 24-hour stoppage on the Tuesday.

In an unusual strategy, Boral on the Tuesday responded by seeking an urgent order against the union, arguing before FWA that it had taken defensive measures, such as cancelling deliveries and the arrival of a train, to prepare for the stoppage, and that as a result employees were not working in their customary manner.



Novel argument: Boral said that its workers were breaking the law because they didn't strike

The union, however, argued there was no basis for the company's application, as any deviation from the workers' customary work practices was caused by the company.

Maurice Blackburn Senior Associate Giri Sivaraman, who represented the AWU, said that the company had taken a novel approach in arguing that deciding not to take industrial action could be construed as industrial action.

He said the Tribunal's decision confirmed that under the Fair Work Act, bargaining representatives are able to give notice of intended industrial action but then choose not to proceed with it.

## Australia's CEOs still in the money

Australia's chief executives are not exactly doing it tough, despite the recent financial crisis.

In fact, almost 20% of CEOs at Australia's biggest companies received bonuses of more than \$1 Million last year, according to a study conducted by independent pay consultants, Guerdon Associates.

Although the sharemarket suffered its worst 12 months since 1982, 33 CEOs shared \$67 Million in annual bonus payments. The payouts come at a time when thousands of Australian workers are being subjected to wage freezes to help boost corporate profitability.



Westpac's Gail Kelly: \$3.5 million bonus

Leading the pack was Allan Campbell of AJ Lucas Group, a mining services company, who received a bonus of \$6.5 Million in 2009, dwarfing his \$500,000 basic salary.

## Australia's CEOs still in the money (cont)

The bonus was paid as the company share price more than halved, from \$6.56 to \$3.18, in the 2009 financial year.

Westpac chief executive Gail Kelly was the highest-rewarded woman on the list, coming in third with an annual bonus of \$3.5 Million.

Ms Kelly also received 194,347 Westpac shares to compensate her for benefits that she gave up as chief executive of St George, her former employer - shares now worth \$4.8 M.

In the wake of the Global Financial Crisis, the Rudd Government has successfully introduced legislation limiting executive termination payments – the 'golden parachutes' with which executives floated gracefully away from toppling companies, leaving employees and shareholders amid the ruins.

More recently, the Productivity Commission has proposed a 'two strikes' policy that would see entire company boards have to stand for re-election if 25% of shareholders voted against executive remuneration packages two years in a row.

At present, such shareholder votes are not binding – much to the frustration of Australian shareholders who have been lodging protest votes in ever-increasing numbers over the last few years.

## Nanoparticles in spotlight again

A recently released report has raised new concerns about the presence of nanoparticles in a number of common household items. The report by the Australian Institute has identified sunscreens, cosmetics and food packaging as products containing nanoparticles, materials they warn could pose a similar environmental health impact to asbestos. The lack of mandatory labelling laws or safety tests for products containing nanomaterials also increases the risks for Australian workers and consumers.

The report comes on the back of a Friends of the Earth investigation into the nanomaterials content of leading Australian brands of concealers and foundations which named products sold by Revlon, Clarins, Clinique, Max Factor, the Body Shop, L'Oréal, By Terry and Lancôme Paris as containing nanoparticles.



Australia does not require firms to disclose the presence of nano-materials in their products

The European Union has passed laws making it mandatory for all products containing nanoparticles - which are 100,000 times smaller than the width of a human hair - to say so on the label. But while a NSW parliamentary inquiry has recommended that labelling requirements for cosmetics include the identification of nano-scale materials, in Australia there is still no requirement for manufacturers to label their nanotechnology products.

FoE accused the companies of using Australian women as guinea pigs for the potentially dangerous technologies and urged governments to pass labelling and safety laws for the products.

## Commander M2 redundancies

The CEPU has been in discussions with M2 regarding proposals to make five employees redundant. The redundancies are calculated under the Commander Metropolitan Service and Support Agreement 2005 and a number of the employees are ex Telstra.

Notices have been issued and their last day at work will be 23rd December 2009. It is pleasing that from that date the company will have the employees on "gardening leave", i.e. there will be no deduction from entitlements even though the redundancy does not take effect until 4th January 2010. Members who need assistance with any calculations on their package should contact the Branch Office in the first instance.

## Share this Newsletter

Please forward this newsletter to fellow CEPU members who may not have their email on file with the Union. Please encourage your fellow members to subscribe to the newsletter service by emailing [john.lee@cepu-sant.com.au](mailto:john.lee@cepu-sant.com.au), visiting our branch website at [www.cepu-sant.com.au](http://www.cepu-sant.com.au) or calling the Union's admin team on (08) 8232 5999.

If you have access to a printer, please ensure that you print this newsletter and share it with your workmates who may not have internet access. Always make sure that a copy of the newsletter is displayed on your workplace Union noticeboard.

If you have any questions on any of the above articles, please contact an official at the Union office on (08) 8232 5999.

Yours faithfully,

*John Lee*

Branch President

CEPU Communications Division (SA-NT)

