

EBA UPDATE: 15 AUGUST MEETING



Dear member,

Talks continued with the Unions' Single Bargaining Unit (SBU) and Telstra meeting this week to continue negotiations.

Clause 45

As has been the case the last few meetings, this fixation of Telstra's again dominated discussions – with the company again making it clear they will not reach agreement without a Clause 45 in some form or another.

As you will recall, last week we reported on a positive step which would see members' redundancy benefits preserved should a transfer to a subsidiary occur.

It appeared that the intentions on both sides aligned with regard to this last week, however, prior to yesterday's meeting the draft clause circulated by Telstra disappointingly contained additions that diluted what had seemingly been achieved last week.

Their additions would see conditions imposed on the redundancy preservation – particularly around suitability of roles and a process for a member to elect to agree to different terms (why on Earth would you want to?).

These additions rang alarm bells for the SBU around members being coerced to giving up their redundancy preservation and was met with immediate opposition – leading to Telstra withdrawing from their additions and remaining at the point we had reached during our last meeting.

To reiterate what that is – if an employee is offered a position with a subsidiary which:

1. Is to perform substantially the same role;
2. On terms and conditions no less favourable than their employment with Telstra;
3. That recognises service with Telstra; and
4. Which provides for redundancy as per the Telstra scale

THEN the employee is not entitled to a redundancy from Telstra irrespective of whether or not they accept the offer.

If ANY of the above 5 criteria are not met, then the employee remains entitled to redundancy regardless of whether they accept the offer or not. Special rules will apply for employees with defined benefit superannuation, in that an added 6th criteria would be that they retain membership in the defined benefit fund.

Remember, generally, a transferring employee still has the Telstra Enterprise Agreement apply to them when moving to the subsidiary – unless and until it is

terminated or it expires and is replaced. This means everything under the current EA that applies to you will continue to apply to you should a transfer to a subsidiary occur. This includes workstream and job family arrangements and the like.

Length of agreement

With the above comes the consideration of the length of the agreement, which was also touched on today.

Currently, Telstra is proposing a two year agreement. There are obvious benefits for a longer agreement – in that terms and conditions are locked in for longer, and particularly so, for employees who may transfer to a subsidiary during its term.

The length of the agreement will be considered further by the SBU ahead of the next meeting.

Similarly, Clause 45 will continue to be refined to give effect to the intentions and ensure enforceability.

Annual results

As members would likely be aware, this year's results have been announced with profits down 40%, EBITA down 21.7% and total revenue down 3.6%. Astoundingly, Andy Penn's salary is up by 33% to around \$5 million – a slap in the face to every worker, customer and shareholder. Concerningly, changes in job functions has prevented an accurate snapshot of the increases paid to his executive team. We will have more to say on this in the near future as we once again seek members' proxies to represent you at the Annual General Meeting and urge shareholders to once again vote to reject the executive remuneration report.

Pay

Pay did not form part of today's talks, given the emphasis on Clause 45. This topic however, will be revisited in the coming weeks. Furthermore, as outlined in last week's update, Telstra has confirmed it will apply a wage increase through a policy decision of 1.5% to take effect on 1 October 2019, in the absence of any new Agreement being reached.

We will continue to keep members updated as talks progress with the next meeting to occur next week. In the meantime, should you require any further information or have feedback to share, please contact our Branch office on 08 8443 7389

Yours faithfully,

Graham Lorrain
BRANCH PRESIDENT

16 August 2019