

EBA UPDATE: 31 JULY MEETING



Dear members,

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

Much of the focus was on Telstra's resurrection of Clause 45 and the SBU's concerns over its possible application.

Clause 45

The SBU had, at the last meeting, committed to seeking external expert advice on the application of Clause 45 and the possibility of constructing its provisions in a way that ensured employees' entitlements were preserved – even if their employment was transferred to a subsidiary.

Based on this advice, the SBU canvassed some ideas with Telstra around safeguards, but made it clear that the preferred and only fully supported option was for Telstra to second staff to other companies, rather than transfer their employment.

Secondment would allow Telstra to utilise their employees across different companies, including an 'InfraCo' subsidiary (if it is ever created), while employees remain employed by Telstra Corporation directly – with their conditions guaranteed by the Telstra EBA.

Some of the other options that were discussed included Telstra ensuring that any subsidiary would grandfather the terms and conditions, in perpetuity, of employees transferring under Clause 45, or that any offer to transfer to a subsidiary under clause 45 would include a guarantee by Telstra that terms and conditions will remain as if the employee had remained employed by Telstra Corporation, with any shortfall from the Subsidiary being supplemented by Telstra Corporation.

Appeal mechanisms were also discussed, where it was suggested that there be an ability to have the Fair Work Commission review any decision made under Clause 45 with the ability to overturn it if it operated unfairly to an individual.

The definition of "suitable employment" was also discussed and the SBUs view that it didn't go far enough. For example, the location of the new job does not fall within its current scope.

Telstra committed to consider the possible scenarios discussed and respond at the next meeting.

The SBU's preferred option is for Clause 45 to be, once again, removed – and have suggested that it could be more sensibly discussed at the next round of bargaining.

This approach, we believe, would allow discussions to progress at a time when there is more clarity surrounding the Government's intentions for the National Broadband Network, and Telstra's intentions for the structure of the company.

However, Telstra maintains that they will not proceed to a vote on a new agreement without a Clause 45.

Pay

With Clause 45 discussions dominating the majority of the meeting, pay was not discussed in detail. However, it does appear that a pay increase will be applied on October 1. As was the case last year, in the absence of any new Agreement, this wage increase would be applied through a policy decision, not a negotiated outcome.

The amount has not yet been confirmed but is likely to be 1.5%. The pay matrix is scheduled to be revealed next week.

We will continue to keep members updated as talks progress with the next meeting to occur on August 8. In the meantime, if you require any further information or have feedback to share, please contact me on 0419 807 285.

Yours faithfully,

Graham Lorrain
BRANCH PRESIDENT

2 August 2019

