

EBA UPDATE:

7 November meeting



Dear member,

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

Over to you

Subject to a final legal review of the proposed Agreement, the SBU has today indicated it would not oppose Telstra putting their most recent offer to a vote of employees. It is the view of the SBU that whilst the pay offer is not where it should be, the agreement has come a significant way forward. Clause 45 has been completely transformed to provide employees with security and protections they did not have in the last iteration. The Long Service Leave (LSL) provisions ensure employees will not be subjected to the unfairness of Telstra's proposed 2020 LSL policy. Redundancy provisions have been locked in, along with generous new parental leave benefits. Subject to final review, Telstra is considering taking the proposed Agreement to a vote in early December.

Clause 45

Just to recap on the operation of the clause, it is important to remember that Clause 45 will not apply to all surplus situations – only those that occur due to work transferring from *Telstra* to a *Subsidiary*. Where this occurs, the employee undertaking some or all of the transferring work may have Clause 45 apply to them – resulting in an opportunity to 'follow' the transferring work in employment with the *Subsidiary*. Telstra's obligation to pay retrenchment benefits can only be displaced if the offer to move to a *Subsidiary* is a "suitable" offer. A suitable offer is a written offer of employment with a *Subsidiary* of *Telstra*:

1. To perform the same or substantially the same work;
2. On terms and conditions considered on an overall basis, no less favourable than the conditions held at *Telstra*;
3. That provides 15 days paid personal leave each year (pro-rata for part time employees);
4. that provides your ordinary hours of work will be no more than an average of 36¼ hours each week;
5. That recognises service with *Telstra*;
6. That provides for the continued eligibility for membership of the defined benefits superannuation fund for employees who are existing members; and
7. that provides that your retrenchment benefits will be calculated:
 - i. In accordance with the scale in section 10 if your job with the *Subsidiary* is made redundant and you are retrenched; and
 - ii. by reference to your *Fixed Remuneration* at *Telstra* at the time the offer is made, or the fixed remuneration at the time you are retrenched by the *Subsidiary*, whichever is higher.

If any of the above are not part of the offer to move to the *Subsidiary*, the offer is not deemed "suitable" and the provisions of Clause 45 will not apply.

Furthermore, a guarantee on entitlements must be provided by Telstra for transferring employees – meaning if the *Subsidiary*, for any reason, was unable to pay transferring employees' entitlements, Telstra would be legally responsible for paying any entitlements owed to those employees.

Long Service Leave

Telstra's LSL policy commencing from 1 January 2020, effectively enables Telstra management to direct employees to take up to 24 days of LSL in any 12-month period, if they have more than 90 days accrued.

The alternative negotiated outcome will instead place an expectation on employees who have more than 90 days of LSL accrued to take 9 days of LSL per year. The employee will be expected to make application to take those 9 days when it is suitable to them throughout the year and such application must be made before 30 June. If an employee has had two applications for LSL rejected, then Telstra cannot direct the employee to take the 9 days of LSL in that calendar year.

If the employee does not make an application or the employee makes only one application by 30 June and it is rejected, then the manager and employee will work together to decide on a suitable time for the employee to take the expected 9 days of leave. If agreement cannot be reached, management can then direct an employee to take the 9 days during the same calendar year, so long as they employee is provided with at least 3 months' notice and the manager has taken into account the personal circumstances of the employee.

No changes will be made to the LSL policy during the life of the proposed Agreement.

Pay

The pay proposal is 1.8% and 2% respectively over two years. As 1.5% was paid to employees on 1 October 2019, there would be a top up payment of 0.3% back paid to 1 October 2019. The 2% increase becomes payable from 1 October 2020. Job Family employees with a rating 3 or above will receive a guaranteed minimum of 1% and increases will apply to allowances.

A ballot on the new proposed offer is currently being considered for early December pending final legal review on the draft document. We will continue to keep members updated but in the meantime, should you require any further information or have feedback to share, please contact me on 08 8443 7389 or 0419 807 285.

Yours faithfully,

Graham Lorrain
BRANCH PRESIDENT

8 November 2019

