

# EBA UPDATE:

## 29 AUGUST MEETING



Dear members,

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

### Clause 45

The discussion around the Clause 45 transfer of business provisions today focussed primarily around drafting. The SBU's focus was to ensure that the intention is clearly demonstrated by the words of the clause, eliminating the possibility for misinterpretation or error.

It is proposed that in order to displace the requirement to pay retrenchment benefits under Clause 45, the offer to move to a Subsidiary must:

1. Be to perform the same or substantially the same work;
2. On terms and conditions substantially similar to, and considered on an overall basis, no less favourable
3. Recognise service with *Telstra*;
4. Provide 15 days paid personal leave each year (pro-rata for part time employees);
5. Provide your ordinary hours of work will be no more than an average of 36¾ hours each week; and
6. Provide 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.

For members of a Defined Benefit super fund, any offer to move to a subsidiary would also not be suitable unless it also provided for the continuation of the membership.

It is proposed that these conditions will form part of the contract of employment for a transferring employee in addition to the entitlements they enjoy under the relevant agreement.

Upon transfer, the relevant agreement will be the Telstra agreement and this will continue to apply to transferring employees until it is replaced or terminated. It is proposed that neither occurrence would displace the contractual terms and conditions in the letter of offer.

While matters of drafting continue, the SBU are confident that the proposed draft clause provides protections for affected employees, in the event that Telstra decide to break itself apart.

Clause 45 has also been added as an example of major change within the agreement, obligating Telstra to consult each time there is a proposal to transfer employees under Clause 45.

### Long Service Leave (LSL)

Policies around LSL that Telstra intends to implement from January next year would allow Telstra to direct employees, with a leave balance in excess of 90 days, to take a period/s of LSL up to 24 days.

The SBU does not believe that employees should be directed in this way, particularly given the difficulty employees face in accessing leave approval in the first place.

The Unions pushed back on this policy when it was proposed by Telstra in the middle of last year leading to Telstra taking a step back from implementation for the 2019 calendar year. Instead Telstra agreed that for the duration of 2019, they would seek to encourage staff but not direct them.

While this has been somewhat productive in reducing Telstra's LSL liability, the company says it has not gone far enough and they intend to commence directing employees from January 2020.

The parties discussed different parameters that could be put in place to encourage employees to avail of LSL, including an expectation that employees take their 9 days of LSL each year if they have accrued 90 days, and in the event that their application is rejected, then Telstra and the employee will discuss and try and reach agreement on a time to take the leave. This would cap the expectation to take leave at 9 days per year and not 24 days, as currently proposed in Telstra policy.

Generally, this seems to be agreeable to all bargaining participants however Telstra wish to take it a step further, implementing provisions to direct an employee in the event that the employee doesn't make application for the leave.

Discussions will continue on this.

## Pay

Telstra had originally indicated that they would be providing their final pay offer today, however on the basis of time constraints Telstra decided they needed to get further advice before putting that offer forward.

They restated the current pay offer being 1.8% per year for two years starting 2019.

In the event that agreement is not reached, there will be an increase of 1.5% applied under policy as was the case last year.

Pay will continue to be discussed at the next meeting.

## Misinformation

Unfortunately, there is some misinformation being spread by some Union officials who either are themselves unable to understand the concepts of Clause 45 or are intentionally seeking to misinform members. They are failing to tell you what will happen if we have no agreement and instead remain on the EA which is already almost a year out of date. This is not sustainable in the long term because as it becomes more outdated it becomes easier to terminate. If this were to occur, all employees would fall to the Award, with 40 weeks redundancy as their new entitlement and many other setbacks. A new agreement means security and this is about protecting your entitlements and your employment into the future. No member of the SBU has denounced a new agreement on the basis of Clause 45 to date, as we continue to work towards strengthening the protections in the clause.

We are presenting you with the facts because ultimately this is YOUR EBA and YOU will decide whether or not it is acceptable. We want you to make this decision based on clear factual information so if you are reading a Union bulletin that seems very one sided and is all doom and gloom – chances are you are being given a highly contrived and misleading account. Please seek out alternative narratives so that you can ultimately decide based on fact. These doom & gloomers will never encourage you to be inquisitive and seek out another view, but please don't be afraid to. Please contact your branch official with any questions or concerns, or in the event that you think you might not be getting the whole truth, please contact an alternate source, for example the Divisional Office for a frank discussion.

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 me on 08 8443 7389 or 0419 807 285

Yours faithfully,



**Graham Lorrain**  
**BRANCH SECRETARY**

30 August 2019

