

Annual Report To Members

20

14

COMMUNICATION WORKERS UNION
Telecommunication & Services Branch
Victoria

Trades Hall, L3/B2,
2 Lygon Street
Carlton South 3053

ANNUAL REPORT TO MEMBERS 2014

In last year's annual report I said this about the possibility that the Liberal/National Party would be elected to government at the federal level.

“We know that if elected the Liberal/National Party would:

- * *Make it even more difficult for workers to unionise and protect or improve their pay, conditions and rights at work.*
- * *Ensure that precarious work will expand across the workforce as it is made easier for employers to sub-contract and use casual labour to drive down pay and conditions.*
- * *Slash and burn expenditure on people's needs and services and destroy thousands of public sector and private sector jobs due to false arguments about austerity and cut backs.*
- * *Retreat from taking necessary bold steps to help the world overcome the disastrous impacts of global warming created by industrial pollution.*
- * *Make sure that big business and the rich are looked after and rewarded at the expense of everyone else and so that workers are forced to carry the burdens of the global economic crisis.*
- * *Be even more vicious, inhumane and hostile to the poor and oppressed of the world who come to Australia for help and a better life as refugees and asylum seekers.*
- * *Attack the independence of the ABC making it become more and more like the private sector media monopolies thus further undermining democracy and the right to know.”*



Now that these things have come or are coming to be, we have a massive job ahead of us to protect our members in particular and working people generally.

WHAT DOES THE FUTURE HOLD

If we combine our understanding of the political direction being taken at the Federal level in Australia, and analyse the agendas being aired by the major employers we can and should recognise many threats.

TAKE TELSTRA FOR EXAMPLE

Telstra will wish to continue to try to push us towards Optus style agreements and conditions. What that means in Telstra terms includes no agreed pay increase, a move away from the 36¾ hours per week to the 38 hour week, ultimately the end of the nine day fortnight, the emasculation of the current redundancy agreement, including forced redeployment to lower level jobs and the down-grading of many jobs, at least.

These important conditions of employment, hard won by the efforts of union members over decades, will be vigorously defended by the union yet again, as they should be. However we need to also recognise the things that employers like Telstra are doing in order to try to strengthen their arm in the struggle with communication workers over their working and living conditions.

Thousands of jobs, if not tens of thousands of jobs, have been contracted out and off-shored by Telstra and other employers. These jobs have gone to more exploited workers on lower pay and poorer conditions (usually deunionised/not unionised). This trend continues and becomes a more formidable weapon for the employers.

Thousands of these jobs have gone to workers called sub-contractors. These are not really sub-contractors as they are employed on sham contracts which treat them like employees but on much poorer conditions, remuneration, and fewer rights. In effect they have to “buy” their job in the first instance through tens of thousands of dollars in set up costs.

Further Telstra still retains thousands of workers on John Howard’s AWAs, (Australian Workplace Agreements or other individual contracts of employment). These instruments of employment divide the workforce, weaken the capacity of the workforce to combine together to protect hard won conditions and leave individuals on AWAs and ITEAs vulnerable.

OPTUS TOO

In the case of Optus as another example, the employer has successfully opposed and prevented unionisation of its workforce over the decades and this has meant poorer pay and conditions and unfair treatment for its employees.

MASS REDUNDANCIES AND UNION ORGANISATION

Telstra alone has 70,000 less employees today than at its height in the 1990s. Telstra was, before privatisation, the monopoly communications provider in Australia. Telstra employees were and still are the union’s main membership base. Therefore the union’s membership has dropped dramatically over those years.

The redundancies have not only meant a dramatic drop in union membership, but have meant many of our most experienced and committed members and activists have left the company and industry.

Obviously, the other major impact has been the large drop in the union’s income and resources and therefore the increased difficulty dealing with representing union members problems.

INDUSTRIAL LAW AND ITS IMPACT ON COMMUNICATION WORKERS

Australian industrial relations law does not meet the international benchmarks which are required to ensure that the rights and interests of workers and their families are protected.

In most situations workers, (including communication workers), do not have the general right to strike or take other industrial action to protect their wages, conditions and rights. They do have the right to take strike and other industrial action to achieve or renew an enterprise agreement but even here those rights are qualified and restricted.

This leaves workers vulnerable and less equipped to protect themselves from major militant employers.

There are some limited rights in law to pursue unfair dismissals and unfair treatment of workers however the system is loaded against workers’ interests and even where workers achieve a positive result the outcomes are qualified and constrained in most cases.

The same applies for OH&S legislation with issues like bullying, discrimination, etc.

SUMMARY OF THE THREATS

We can see then that the threats faced by communication workers are many and varied. To summarise:

- threats to fundamental working conditions such as the redundancy agreement, the 36.75 week and the 9 day fortnight, pay rates, and banding levels in Telstra
- continuing threats to our capacity to act to protect workers’ conditions and rights by off shoring and contracting out of jobs

- continuing threats to our collective capacity to defend our conditions by the employment of people on individual contract conditions ad sham contracting arrangements
- continuing threats to our membership numbers and strength from mass redundancies
- continuing threats from unfair anti worker industrial laws and regulations, which will become even worse due to the Abbott Government
- threats to any semblance of fair arbitration of disputes, cuts to community social conditions and attacks on union organisation

WHAT NEEDS TO BE DONE?

The unions and their members have fought for workers' conditions and rights and won, in extremely difficult conditions before, historically and will do so again.

Unions built their strength and capacity to defend workers' conditions from nothing, and in conditions of recession, depression, war and the election of right wing anti-worker, anti-union governments, many times in history. We will do it again.

Just think of a few important milestones over the years and decades to underline this point.

- regular pay increases
- reduced working hours from 48 hours per week to 40, then 38 and 36¾ with the nine day fortnight
- decent redundancy entitlements
- decent annual leave, long service leave, and other leave conditions
- increased rates for working unsociable hours (penalty rates)
- decent overtime pay
- establishment of legal rights against unfair and discriminatory employment conditions

As we approach the negotiations for new enterprise agreements, (the Telstra EA expires in 2015 for example), the CWU will again be fighting to protect all current conditions of employment and to improve on at least some of them.

However, to be successful we need the members' active support. We need them involved, to be alert to developments and to be active.

We need them to:

- * **Help sign up the many non-members that currently exist, to maximise our capacity to protect pay and conditions.**
- * **Think about volunteering to be a union contact point in your workplace to help circulate union information and keep the union office informed of workplace issues, problems and local members' views.**
- * **Help our campaigns by supporting our petitions, public protests and events, our political lobbying and other actions.**
- * **Come to the meetings called by the union to build our campaigns and our effectiveness.**

THE 2015 TELSTRA EBA

Negotiations around the 2015 EBA are likely to begin early in 2015. There are some clear threats and problems which face us.

As you know the Telstra EBA contains 2 sections. One called “Workstream” which is a fully negotiated system where the banding levels, pay rates, pay increases and conditions are negotiated with and agreed to by CWU members.

The other is called “Job Family” in which the banding levels, pay rates and any pay increases are decided upon by Management without negotiation or agreement and basically imposed on the Job Family workforce.

The pay increases of Job Family employees, if any, are decided upon by Management’s performance pay system, which is discriminatory, unfair and in certain conditions potentially corrupt.

There is no doubt in our mind that Telstra’s main objective in the EBA talks next year, will be to have all staff on their non-negotiated, performance pay system.

In addition, Management have long dreamed of scrapping the 36¾ hour week and 9 day fortnight, dramatically reducing the redundancy payout and redundancy conditions, and achieving significant downgrades in the banding of positions.

Apart from those likely Telstra Management objectives, we are also likely to be facing even more difficult industrial conditions given the programme of the Abbott Government, as mentioned earlier.

CWU members need to take stock of the situation and begin to prepare for what could be a major struggle once again.

The preparation for the next Telstra EBA is by necessity extensive. To identify just some of the things we need to do.

- We need to dramatically boost our union membership numbers to maximise our strength and “lobbying” power as a workforce. As part of this process we must demonstrate to people the importance of joining together as opposed to individual contracts.
- We need to mobilise the Telstra workforce to expose and oppose the performance pay sham that Telstra Management champions.
- We need to mobilise the Telstra workforce to make it clear that it will not tolerate the undermining and/or destruction of long held, hard won conditions such as the 36¾ week, 9 day fortnight, flextime, current redundancy arrangements, etc.
- We need to make major efforts to defeat sham contracting.

These campaigns and issues can only be won with the direct involvement of the overwhelming majority of Telstra workers. That is the job ahead of us.

On top of all that we must prepare for a determined industrial campaign just in case. We can hope for the best but in the end, depending on Telstra Management’s behaviour, we must be ready.

The Branch has recently conducted another of our regular series of members meetings across Victoria. We have begun the process of alerting our members to the likely problems ahead and providing the opportunity for their involvement.

SHAM CONTRACTING

We need to continue to step up our campaign against sham contracting in the Telecommunications industry.

Sham contracting is where employees are required to “buy a job” (at a cost of tens of thousands of dollars to set themselves up as so-called “Sub Contractors”) and then they have to accept conditions imposed on them which treats them as employees but without the protections and rights enjoyed by employees.

This enables employers like Telstra, Optus, ISGM, etc to avoid the normal employment costs (superannuation, various forms of leave, allowances, penalty rates, minimum rates, etc) and use the taxpayer to subsidise their operations.

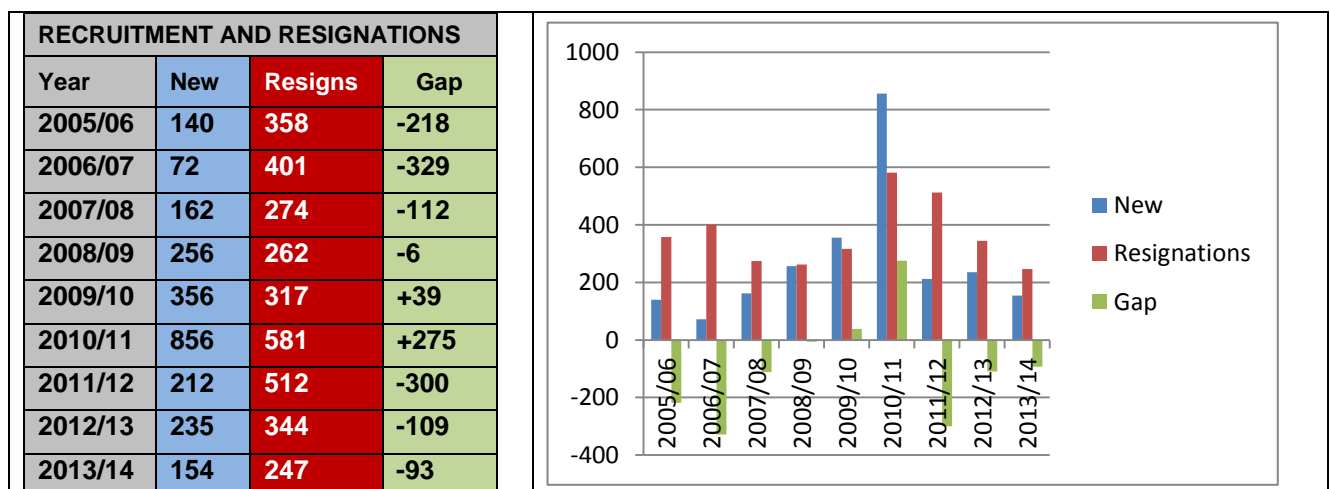
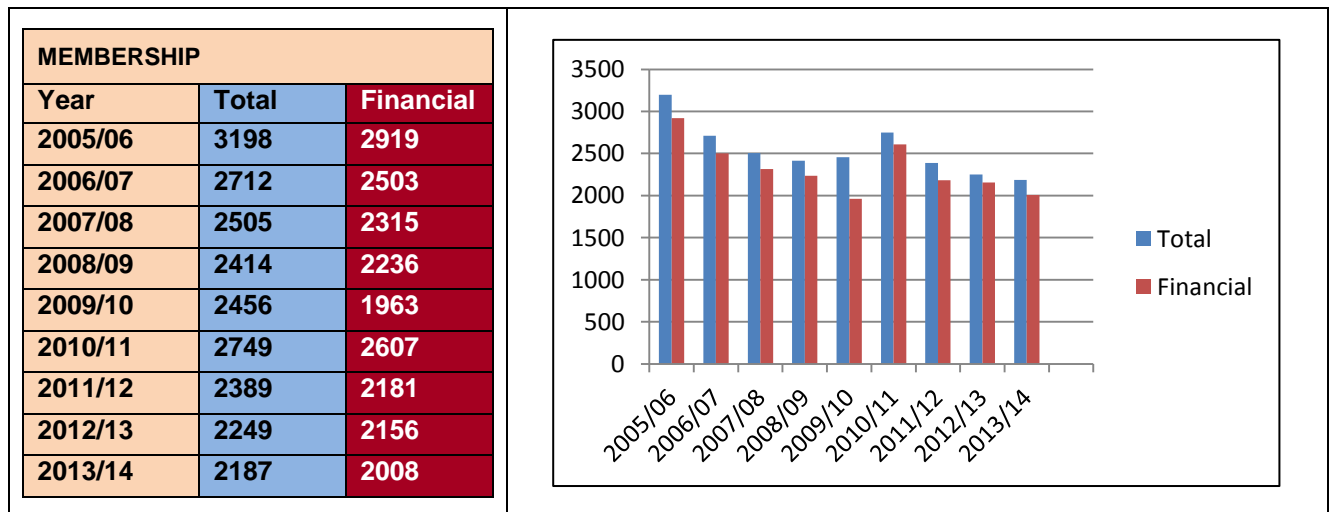
It also enables the employers to dictate the day-to-day operational arrangements required but without most of the safeguards for employees contained in current industrial law.

These are sham arrangements, illegal arrangements.

The union has done considerable preparatory work to conduct a legal case against sham contracting. This must be brought to fruition.

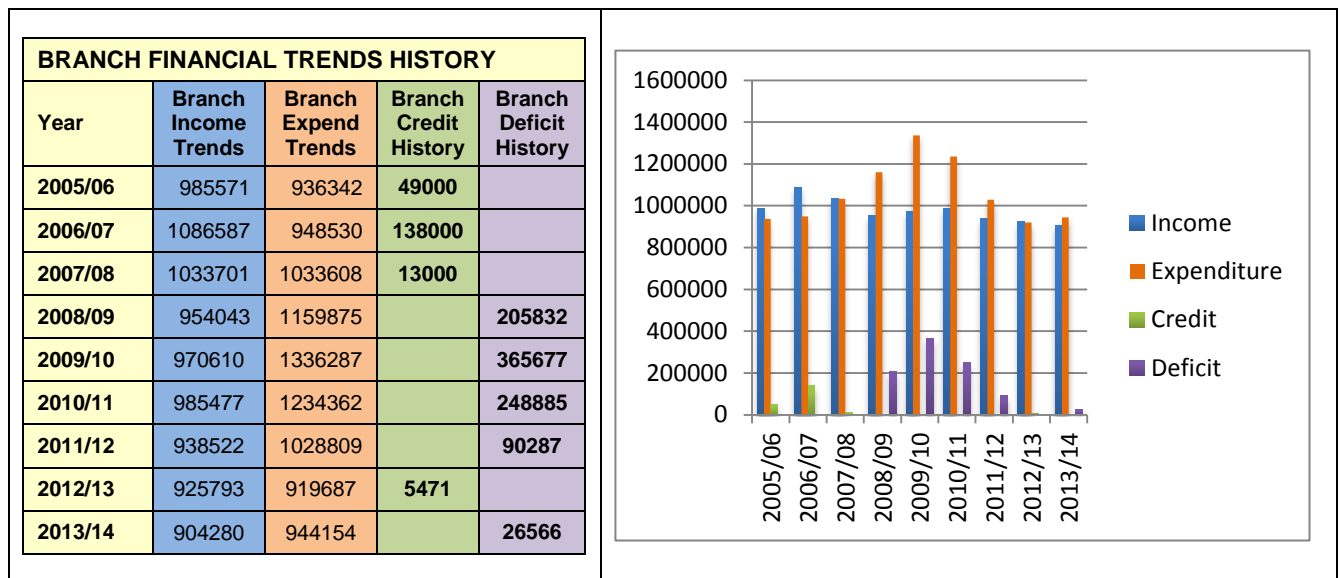
NEW MEMBER RECRUITMENT

You can see from the following tables, the dire position the Branch finds itself in regard to member numbers and recruitment of new members.



HISTORICAL DATA – BRANCH FINANCIAL PERFORMANCE

Each year we provide this data for the previous 9 or 10 years or so to enable members to assess some aspects of the Branch performance/outcomes.



COMMUNICATIONS DIVISION COSTS REDUCTION AND RESTRUCTURE

COSTS REDUCTION

The Communications Division (CWU) of the CEPU has been and is suffering due to the long term mass redundancies by employers, particularly in Telstra.

Telstra has reduced its employment numbers from 103 thousand employees down to 33 thousand today.

On top of this Telstra still retains thousands of employees on individual employment contracts (AWAs and ITEAs), it has contracted out about 20 thousand jobs including the off-shoring of thousands of jobs.

When you combine this with difficulties placed in the way of new member recruitment by current industrial laws you can appreciate the reasons for plummeting union membership numbers.

The Telecommunication membership numbers have dropped from about 30k nationally down to approximately 7k today.

This means or should mean that a business as usual stance is unacceptable to us.

In my view 2 essential elements are required:

1. There must be a drastic reduction in the costs of our day-to-day operations.
2. There needs to be a major restructure in the way at least the Telecommunications section of the Division does its business.

COST REDUCTION AND INCOME

The following annual expenditure items need to be considered and examined to try to reduce costs urgently:

- ALP affiliation
- Trades Hall/Trades & Labour affiliation
- Staff numbers/staff hours
- Journey Cover Insurance Scheme
- Union Officials/Industrial Staff Travel costs
- Vehicle provisions policies

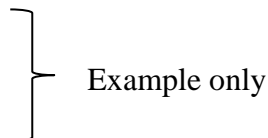
- Alternatives to PRD for union dues
- Reduction of FBT costs
- Accommodation/work from home
- Branch/Divisional Office agreement to enable Branches to use Divisional Office as an agency to perform some Branch admin/book keeping functions.
- Divisional Office to provide new member recruitment assistance to Branches strictly on a business case basis.
- Invest at least a portion of reserves in higher interest investments.
- Sell buildings and invest funds in higher interest investments.
- Outstanding dues management.

As well as significant savings in day-to-day operations we should aim to restructure for further savings and effectiveness.

MAJOR RESTRUCTURE – TELECOMMUNICATIONS SECTION

Some principles guiding a major restructure could be as follows:

- Establish clear cut Telecom sections and Postal sections in the Division.
- Provide each industry section with maximum possible autonomy within the Division
- Branches to have the option of utilising Divisional Office centralised resources for admin/book keeping functions.
- In Telecommunications establish regional units in lieu of state branches:
 - SE region (Vic/SA)
 - WA region
 - North Central (QLD/NSW)
- Only organisers/recruiters operate in regions, each reporting to Divisional Secretary/Assistant Secretary Telecom.
- Organisers/recruiters operate from home office/car.
- Divisional Office resources to be provided to regions to aid recruiting organising on a strict business case basis.



TRANSITION TO THE INDUSTRY UNION

I have written before about the union making a transition from being the Telstra and Postal union to the communications industry union.

We are working to be the industry union covering technical, call centre, administrative, sales and other workers in the communications industry.

We are currently organising and recruiting in companies such as ESTA, Optus, AEGIS, Vodafone, ACMA, Skilled, Ericsson, NBN Co, ISGM, Linktech, Service Stream, Visionstream and Telstra Sub Contractors, apart from our traditional roles in Telstra and Australia Post.

Whilst the bulk of our membership is still based within Telstra and Australia Post, our significance in the rest of the industry is growing slowly.

EMERGENCY SERVICES TELECOMMUNICATIONS AUTHORITY (ESTA)

One of our success stories in this transition has been the unionisation of ESTA which is a state government owned company.

We currently have 243 members. The ESTA members, due to their unionisation have witnessed a huge improvement in their wages, conditions and workplace rights.

In the recent Enterprise Agreement for Operations employees, negotiated by CWU, the members achieved for example:

- Wage increases of 3% (backdated to 1st pay in December 2013, 01/03/14 and 01/08/14).
- Many Level 2 calltakers and dispatchers increased to level 3 on 01/12/14.
- Career progression to level 4 is now possible for those that want to pursue multi-skilling in one other service.
- “Sign-on” payment of \$1250
- Same entitlements gained for part-time workers re public holidays as full-time workers (on a pro-rata basis).
- Employees do not have to make up hours as a result of participating in training, if 8 hours or less.
- A Statutory Declaration is now allowable as evidence for sick leave without pay.
- Paid parental leave has been increased in EBA (not MOU) from 12 weeks to 14 weeks.
- A number of other improved benefits.

Currently we are finalising the Admin/Support employees Enterprise Agreement which looks likely to achieve:

- Wage increases of 3.75%, 3.75%, 3.50% and 3%, totalling 14% over 3 years. (Last pay increase was 1/1/12)
- A sign-on bonus of \$1500
- Annual Leave Loading of 17.5% to be added to salary. This was previously not visible or proven to be included in salary.
- Higher duties to be paid when an employee temporarily performs duties of a higher classification for a continuous period of two weeks or more or one week or more for certain operational positions.
- A new On-call Allowance to be included in the Agreement.
- Classifications/Bandings with salary scales incorporated into the Agreement.
- Carers Leave to be accumulated with Personal Leave

The Agreement is awaiting approval by Government. The CWU has endorsed the in-principle agreement and expects the ballot to be successful.

NBN Co ENTERPRISE AGREEMENT NEGOTIATIONS

We are currently negotiating the NBN Co. enterprise agreement for technical staff.

It appears that we will achieve a reasonable agreement, although there are still some key issues which need to be dealt with.

The current agreement, which expires on August 1st, is a 4 year agreement and the company prefers another 4 year agreement.

DEFENCE OF MEMBERS TELSTRA AWARDS

As previously reported the CWU won round 1 in the battle to protect our Telstra Awards in 2012. The Fair Work Commission refused Telstra's request to cancel all existing Telstra Awards and make the general industry award (called the Telecommunications Services Award), the award that applies.

Had they been successful then it could have put many valued conditions under threat such as the 36¾ week, the number of sick leave days, the redundancy agreement, a number of allowances, and the Telstra Christmas Day, etc.

The second stage of the process is now taking place, which is the "modernising" of the Telstra Award System.

This represents potential threats to our conditions as well and the union is applying significant ongoing resources to this threat.

CAMPAIGN AGAINST THE OFF-SHORING OF JOBS

Telstra and other employers continue to off-shore workers' jobs to cheap labour, non-union "havens" in other parts of the world.

We must reinvigorate our campaign against this destructive practice by Telstra and other employers.

Some work is being done on this and the campaign will consist of at least the following main activities.

- A public petition to parliament.
- An open letter from the public to the Prime Minister.
- A petition from Field Techs to the CEO.
- Exploring ways in which the taxation system and government assistance programmes may be used to discourage off-shoring.
- Considering legislation requiring call centre customer service staff to identify their location on request.
- Considering legislation requiring companies to get agreement with customers, prior to off-shoring customer information.
- A sustained media campaign.
- Protests and rallies at suitable locations.
- A public exposure of the detrimental impact on customer service and employees.

Member involvement and support will be critical to the campaign's success.

EVERY MEMBER GET A MEMBER (EMGAM)

The union is preparing to launch its latest new member recruitment initiative, known as EMGAM.

This campaign will have several elements to it.

1. We will seek volunteers from our membership to become new member recruiters in their work area.

2. Volunteers will be provided with a special “kit” and the necessary “tools” to perform new member recruitment. This will include special recruitment training.
3. Volunteers will have available to them ongoing advice and assistance following their formal training.

The campaign will be phased in over 3 initial steps.

- We will begin with a small target group of volunteers as a pilot. These volunteers will be drawn mainly from the union Committee of Management as a base.
- An evaluation of all aspects of the pilot programme will be carried out and any necessary changes to the “kit” and training etc, will be made.
- We will then seek volunteers from across our entire list of union activists (shop stewards, OH&S representatives, etc) to start the second phase of the programme.
- We will then evaluate all aspects of the second phase and make any necessary changes to the “kit”, training and after training support, etc.
- We will then seek volunteers from across our entire membership to start the third phase of the programme.
- We have employed a specialist recruiter/recruiter trainer to help guide and develop, and sustain the new member recruitment activity into the future.

We believe that the campaign will go a long way to removing the major impediments to new member recruitment, namely:

- The current lack of quality contact time with potential new members.
- Overcoming the fact that many, if not most people who are non-members have never been asked to join the union or had the real and tangible benefits of union membership explained.
- Insufficient analysis of work places in order to develop and record detailed information regarding who the non-members are, the functions performed in the area, the banding or grading levels of the employees in the area and the immediate problems faced in the workplace, etc.

The campaign will have incentives built into it (e.g. prizes, discounts, rewards) as part of the process from beginning to end.

As part of the overall effort the Industrial staff are aiming at stepping up our work centre visit program to help improve the visibility of the union in workplaces and keep them in touch with issues and problems experienced by members.

In theory at least, if “every member got a member” each year then the union would almost double in size each year.

One of the things that helps to make a union better able to protect and extend its members’ pay, conditions and rights, is the number of members it represents.

It is in the direct interest of all current members to work on this and to achieve these goals.

UNION RIGHTS/WORKERS RIGHTS

A number of important areas must be concentrated on. Such as:

- * The right to strike and other action.
- * Improved access to potential members for new member recruitment purposes.

- * Benefits/agreements won by unions to be available only to union members.

AUSTRALIA POST MEMBERS

Our Technical members in Australia Post, although small in number overall (105 in Victoria), continue to be very active around Tech Post issues.

A SAMPLE OF ADDITIONAL ISSUES

The following is a sample of some additional issues we dealt with over the 12 months:

- Protection of RDOs.
- Conditions relating to travel to work and home.
- Stepped up GPS Surveillance.
- ISGM “ride-on” programme.
- Guidance to employees on AWAs and ITEAs.
- Redundancies and redundancy associated matters.
- Warrnambool Exchange health & safety issues.
- Visionstream redundancies.
- Service Delivery Tester banding.
- Asbestos issues.
- Visionstream enterprise bargaining.
- Sub Contractor issues.
- Global Operation Centre restructures and redundancies.
- Alcatel-Lucent enterprise bargaining.
- Dexbond 10B Sealant.
- Banding issues – various.
- Optus redundancies and reorganisation.
- NBN training.
- AEGIS redundancies.

ABBOTT’S CLAIM OF A FEDERAL GOVERNMENT BUDGET CRISIS IS A LIE!

The Abbott Government claim of a budget crisis is designed to railroad voters and the Senate into supporting an unfair, nasty anti-working class budget.

The Budget “Crisis” Claim is a lie!

- Australia's debt levels are historically low by international and national standards.
- Australia is a low debt country and there are only a handful of countries in the world with a lower debt to gross domestic product (GDP) ratio. Net Government debt for 2013/14 is \$191.5 billion, or 12.1% of GDP. Net government debt in so-called advanced economies in the world averages 74.79%, according to the International Monetary Fund.
- Australia is not a high taxing country in relative terms. Australia is the fourth lowest taxed country in the OECD.
- The argument that Australian Governments are high spending Governments is not supported by evidence. Since the Hawke Government days government spending has tended to be around 25% of GDP.
- Australia's budget deficit is small by international standards. Australia has the sixth lowest deficit and is much lower than those of the USA, Britain, Canada and most of Europe. The budget deficit is 1.9% of GDP; very modest on a world scale.

- The only budget crisis that exists in Australia are the budgets of the working class who are trying to make ends meet.

Abbot's budget will make their situation much worse. We must continue to support the community backlash against the budget.

ANTI-UNION ROYAL COMMISSION

The Abbott Government has established a Royal Commission supposedly to investigate union "corruption". This commission is a vehicle to try to blacken the reputation of unionism generally and to try to destroy the reputations of their political opponents.

There is enormous corruption in private big business which goes unreported and un-investigated. Corruption which makes union "corruption" pale into insignificance.

However, it is my view that whatever crooks there are in the union movement, they should be exposed and driven out.

We are doing our bit in this regard; we have taken legal action to deal with our problems in the CEPU. We are not relying on the Royal Commission.

THANKS TO UNION STAFF

Once again I want to record that the small number of union staff in T&S Branch Victoria are toiling under extremely difficult conditions. Some of these conditions are described earlier in this report.

Trish Willoughby, Sharon Benson - our administrative staff, Sue Riley, our Organiser and John Ellery our Assistant Secretary are pushing on and serving our members regardless of difficulties.

During the year we had Paul Lightfoot, Branch President and Committee of Management members Maureen Parker, Ian McCallum and Kelvin Welbourn, help out from time to time.

I am sure that the membership is very grateful for those efforts on their behalf. I might add we are continuously getting letters from members as they leave the industry commending us for the service we provide and have provided.

Currently we have Lesley Robson working as a new member recruiting officer. Lesley has been with us for several months and is working hard to increase our new member recruitment rate. New member recruitment is critical to our survival as a union.

I want to place on record, on behalf of members, our appreciation and gratitude for the huge effort put in by union staff mentioned above.

I also want to thank the collective effort by the Committee of Management, shop stewards delegates and other active members who put in their time voluntarily to serve the union members and unionism generally.

Unionism is under threat on many fronts but the quality of our activists and our general membership will win through.

I want to wish all members, the Committee of Management, staff and officials, all the very best for the period ahead and I thank them for their support, assistance and dedication.

Yours in solidarity

LEN COOPER
Branch Secretary
CWU (T&S) Vic

30th July 2014