

Secretary's Report 2019

**SUE RILEY
Secretary**

**Communication
Workers Union
Telecommunication
And Services Branch
Victoria**



SECRETARY'S ANNUAL REPORT TO MEMBERS 2019

Susan Riley
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SECRETARY'S REPORT 2019

Branch Secretary's Annual Report to the Victorian T&S members for 2019.

The vast majority of our time and efforts in 2018/19 have been invested in bargaining for new Enterprise Agreements for Telstra and ESTA. Both Agreements expired last year in October and November respectively. The members participated in Protected Industrial Action, in order to secure a better deal, however we have only reached in-principle agreement with ESTA and the fight continues with Telstra. We are involved in orchestrating the current Class Action against ISGM regarding sham contracting. More on this later.

BRANCH PERSONNEL

In June this year the Communications Division conducted the four yearly union elections. The Victorian Branch has a new Assistant Secretary, Scott Thomson. John Ellery vacated this position when he nominated for the Divisional Assistant Secretary position. He remains as Industrial Officer of the branch. We welcome a new Branch Committee of Management member, Dave Ketchion and farewell Robert Parker, Dave Francey and John Ellery. Since the election, we also have received a resignation from Dave Smithwick as he no longer works at the Divisional Office and we will deal with the vacancy further on. Governance training is scheduled for all concerned in the very near future in accordance with regulations of the Registered Organisation Commission.

RECRUITMENT

At the National Council meeting in December 2018, our Branch put up a motion to support the business case for the hiring of a recruitment officer, which was unanimously carried. The motion stipulated that a quarterly report was provided to National Council. The employment is financed by accessing our Investment funds. In February 2019, I hired Jonathon Wright as our recruitment officer. Jonathon set out with a well-researched strategy to build union membership for the branch. The focus has been on Telstra, ESTA, Telstra Broadcast Services, Telecommunications Services Australia, Optus and NBN Co. He has been accredited with a Right of Entry Certificate and used this successfully visiting all the above sites. Other tactics employed were the use of surveys, petitions to gain non-member contact details, identifying unions supporters then progressing to potential members through one-to-one meetings. Campaigns and collective issues at Telstra Retail, (uniform dispute) Optus, (Classifications) NBN Co, (bullying and harassment issues) Telstra Triple 000 (breach of breaks clause) Motorola, (contract changes to the NOC) Since the beginning of this year 163 members have joined and 217 have resigned. The reasons for resignations are largely the significant Telstra

redundancies and the non-financial purge in accordance with the rules. Overall, we have managed to minimise the impact of mass redundancies at Telstra. Goals for the next quarter are to improve on sign-up forms and on-line joining; establish a regional recruitment plan and increase visits to areas with shift workers. The branch consider the above as evidence of the value of a Recruitment Officer and recruitment strategy to ensure the branch's viability for the future, particularly in the face of cuts to our core membership at Telstra.

FINANCIAL REPORT

The 2018/19 financial position remains stable with an operating profit of \$32,233. Last year's profit (\$250,634) was revaluated when \$190k was transferred from revenue to expenses. Expenses incurred as per note 4G, reflect an increase of legal fees of nearly \$50,000. Office expenses increased moderately and this is due to the Telstra and ESTA EBA campaigns. Otherwise our costs are kept to a minimum. We constantly review ways of reducing costs. For example our printer lease and phone conferencing charges have changed recently for the better.

The audited report states the Union is a going concern, which assumes continuity of normal business activities. Our investment fund as of 31/3/19 has \$617,691. Restrictions are placed on our branch's use of these funds imposed by the National Council, however as previously stated we have commenced a recruitment strategy and hired a recruitment officer which we see as effective use of the funds.

ESTA

ESTA is still a growth area for our membership, with well over 300 members to date. That includes members on both the Operational Agreement and Administrative Agreement. The Ops Agreement expired in November 2018. As per one of the clauses in the Agreement, bargaining must commence 6 months prior to expiry, when ESTA delayed this, the three unions involved (CWU,UFU and AEA) lodged an Application with the Federal Court for breach of Agreement. This was settled financially in our favour. Bargaining then commenced, however by October the State Government entered care-taker mode because of the Victorian State election and negotiations were stalled. An attempt was made to reach agreement prior to this, but it was half baked and did not address any of our log of claims. Protected Industrial Action ensued in the first half of 2019 and eventually we reached 'in-principle' agreement on 20th May at about midnight – with the assistance of Government advisors. The significance of this date is due to the Victorian Labour Government introducing their new wages policy; effectively reduced from 2.5% to 2%. On top of securing the 2.5% we managed to achieve a commitment for 20 new Police CTD, and a new Salary structure which is fairer for all and pays per skill amongst other smaller claims. Our main claim was minimum staffing levels, which was not agreed in full however there are commitments made that commit to data, reviews and oversight by government to attain better staffing levels that are currently under resourced. The drafting of the Agreement has only been finalised this week and we expect the approval, voting and certification process to be complete by the end of the year.

TELSTRA

As predicted Telstra have kept up their relentless campaign of reducing their workforce. In July last year they announced the reduction of employees by 9,500 which is almost a third of their workforce. Unfortunately we have seen the outcome of this with the reduction of members. Telstra's aim is to outsource as much work as possible so it's cheaper and more

profitable for them. The jobs are offshored to India and the Philippines and employees are often sent there to train them to do their jobs.

Additionally, Telstra contract out work to contractors like ISGM (now known as Tandem), who then sub-contract out to others. (see below report on class action with ISGM)

All for a cheaper outcome for Telstra and a subsequent struggling economy.

Meanwhile the battle continues for the workers who are left at Telstra. The establishment of 'InfraCo' Telstra's internal business unit indicates a future where some may be redeployed into a wholly owned subsidiary, however their future is uncertain. This subsidiary may be sold by Telstra, and who know what the future holds then?

The EBA expired last September and eventually after no luck with negotiations, the Divisional Office agreed to lodge a Protected Industrial Action ballot which was voted up. Some bans were put on however Telstra threatened to dismiss/terminate the Industrial Action at the Fair Work Commission, and the Divisional Office lifted the Industrial Action. We lost our leverage to force Telstra to listen to our claims. Telstra tried unsuccessfully to introduce a new clause regarding transfer of business that undermines the redundancy provisions to existing employees. Our Branch led the way with an aggressive VOTE NO campaign. The resonant result of 81% endorsing the NO vote was overwhelming. Telstra were forced to retreat back to negotiations and withdrew cl45 from bargaining. Telstra started to delay meetings and quite frankly lost interest. Astoundingly, in July this year Telstra notified their intention to re-introduce the infamous clause 45, allowing the transfer of employees to the subsidiary. The supposed compromise so far is to 'guarantee' the entitlements (80 weeks redundancy, 36 ¾ week, Leave entitlements, etc however, we say employees shouldn't be forced to go, nor should they be refused a redundancy if they reject a 'suitable offer' with a subsidiary. Telstra also seek to direct employees to take their Long Service Leave. We oppose these two fundamental clauses put forward by Telstra because they don't secure a better future for any new-starters and there is no benefit to anyone. The establishment of a new subsidiary is only the beginning for Telstra, as there is nothing stopping them splitting up all of the business units in this way, making it a much cheaper option for them with lesser conditions.

Telstra haven't put a pay offer forward other than 1.5% which will be paid in any case this October. This is unacceptable. So far there is no good reason to wrap up the EBA or agree to do a deal with Telstra under those conditions. There is no improvement and we would be far better off rolling over the current Agreement to secure all conditions. The future looks very precarious.

OPTUS

The Optus Agreement was certified at the Fair Work Commission in April this year. They are still reducing their costs by cutting jobs and proposed a further 204 job cuts in May this year.

AUSTRALIA POST

Our members in Australia Post are technicians who are constantly battling with management over rostering and resources. Various issues continue including replacement of mail sorting machines and associated staffing matters. New small parcel sorting machines are now being installed which will require further examination of technical resources. Our state Joint Consultative Committee continue to meet regularly to discuss way forward. The upcoming Australia Post EBA will require careful consideration during negotiations.

SILCAR/VISIONSTREAM

The Divisional Office is still pursuing negotiations for Silcar/Visionstream members. The proposal is a meagre pay rise of 1.5% for ex- Silcar employees and 2.5% for Visionstream. This doesn't sit well as the disparity divides the employees and is ultimately unfair for some.

ISGM CLASS ACTION

Shine Lawyers have launched a class action against ISGM on behalf of thousands of telecommunications technician workers employed under sub-contracting arrangements from 2011. It is essentially about employee v contractor. Sham contracting is when an employer deliberately disguises an employment relationship as an independent contracting arrangement, instead of engaging the worker as an employee as they should be. This avoids paying the employee entitlements such as superannuation, workers compensation, leave and some tax components. This predominately drives down wages in the telecommunications industry. The contractors are required to obtain their own ABN, vehicle and tools at their own expense, then treated like an employee by wearing uniform, directed when and where to work and how often. The case has commenced and will be closely watched by many in the industry.

REPORTS ON CURRENT LITIGATION

The Divisional Office filed in the Federal Court over the monies paid by them for the entitlements and redundancy for our ex-employee. The matter is listed for hearing this October for 2 days.

THANK YOU

I would like to take this opportunity to thank John Ellery for his advice, assistance and expertise and expect this will continue down the track; Sharon Benson who has taken on additional work and keeps the place running. I also thank and appreciate our former and current Branch Committee and Executive members for their ongoing commitment and dedication in facilitating a well-functioning management of the Branch.

Thank you to our delegates who often commit their personal time and dedication to achieve good outcomes for all members.

Also to our volunteers who help out in many ways.

To our members; keep fighting the good fight.

SUE RILEY
Secretary
CWU (T&S) Vic