

Memorandum of Understanding (MoU)

Telstra Corporation, the Australian Council of Trade Unions (ACTU), the Communication, Electrical and Plumbing Union (CEPU), the Community Public Sector Union (CPSU) and the Association of Professional Engineers Scientists and Managers Australia (APESMA)

1. Objective of MoU

This Memorandum of Understanding (MoU) outlines:

- The parties shared commitment to a constructive and cooperative relationship;
- The principles underpinning that constructive and cooperative relationship;
- Agreed processes to demonstrate the application of the relationship;
- Agreed initiatives to progress and promote this MoU agreement.

2. Commitment to Constructive and Cooperative Relationship

Whilst discharging their respective responsibilities to customers, shareholders, employees and union membership, the parties to this MoU – Telstra Corporation, the Australian Council of Trade Unions (ACTU), the Communication, Electrical and Plumbing Union (CEPU), the Community Public Sector Union (CPSU) and the Association of Professional Engineers Scientists and Managers Australia (APESMA) - are committed to a constructive and cooperative relationship.

3. Principles Underpinning the Constructive and Cooperative Relationship

The parties will listen to, acknowledge, and understand the context, needs and perspectives of each other.

The unions acknowledge:

- Telstra takes pride in being Australia's leading provider of telecommunications and information services, with one of the best known brands in the country;
- Telstra is operating in a competitive environment characterised by rapidly advancing technologies, a changing regulatory environment and the emergence of new competitors;
- Telstra needs to have productive, dynamic workplaces and motivated employees;
- Telstra desires a positive image in the community and with its customers;
- Telstra needs to satisfy customers and increase shareholder value.

Telstra acknowledges:

- Unions take pride in representing, protecting and advancing the rights at work of Telstra employees, contractors and other telecommunications workers;

The Department of Education, Employment and Workplace Relations has deemed this MoU legal. It aims to foster a new way forward at Telstra and to clarify Telstra employees' rights at work. Find out more at the Telstra Unions' new website

www.yourrightsattelstra.com

- Unions play a critical role in representing employees to ensure they are appropriately rewarded, recognised and respected, have satisfying secure jobs which enable them to balance their work with family and community responsibilities;
- Unions are membership based organisations which require adequate employer cooperation to ensure employees have a real opportunity to join;
- The Telstra workforce, whether directly or indirectly engaged, have the right to join or not join and be represented by the appropriate union; this includes the right to bargain collectively in good faith, and to have appropriate union representation and information in the workplace.

Telstra and the unions are jointly committed to developing and maintaining a positive and constructive working relationship with each other. The parties are committed to negotiating collective agreements in good faith.

4. Processes to Demonstrate the Application of the Relationship

The above principles will inform the working relationship between the parties as they discharge their respective responsibilities to Telstra's customers and shareholders and their membership.

Where possible at various times, agreement regarding the application of these principles will be documented.

The parties agree that the collective agreement currently being negotiated in Telstra is an opportunity to put these principles into practice.

The parties will work towards the negotiation of a modern Enterprise Agreement (EA) which, among other things, includes performance pay and facilitates the transfer of employees on AWAs to the EA, without disadvantage.

Telstra agrees to reflect these principles in its policy decisions and to encourage individual managers to do so in their judgment

Unions agree that their official's behaviours must reflect these principles.

5. Initiatives to progress and promote this MoU

The parties agree to promote and progress this MoU.

Unions will:

- Provide advice to members regarding the nature and importance of this MoU
- Allocate significant resources and utilise their community and political influence to seek outcomes in the interests of members, consumers and the Australian telecommunications industry
- Whilst protecting members interests, will negotiate in good faith a modern enterprise agreement

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- Play a leadership role in articulating to and educating members regarding the challenging context in which Telstra operates;
- Seek to ensure that competition in the Telecommunications industry is not based on labour cost minimisation.

Telstra will:

- Provide advice to employees regarding the nature and importance of this MoU agreement;
- Agree to a termination of an Australian Workplace Agreements (AWAs) or ITEAs, if requested by an employee (including termination before the nominated expiry day);
- Ensure new employees are provided with details of this MoU with workplace representatives invited to reinforce the message;
- Facilitate employee access to workplace representatives, on a fair and reasonable basis, for the purpose of discussing this agreement, and the making of a new agreement covering their employment;
- Facilitate an agreed number of workplace representatives attending Enterprise Agreement discussions.

All parties will:

- Upon signing, provide a joint statement regarding this MoU and its principles;
- Where practical undertake joint meetings of employees, addressed by the company and unions, to explain the nature of this MoU, and the challenges faced by Telstra.

6. Compliance

This MoU and is intended to be compliant with all current laws, industrial codes and guidelines.

The parties agree to submit this MoU and any future agreements to the Department of Employment and Workplace Relations or directly to the Minister for Employment and Workplace Relations to ensure compliance.

7. Monitoring

The parties' principals will regularly meet, at least every 12 months, to review progress with the implementation of this MoU and associated matters and discuss any necessary changes to the MoU to better reflect its aims and objectives.

If either party believes behaviour of the other parties does not reflect the principles underpinning this MoU, this will be raised with the relevant person in the organisation concerned.

If the matter is not resolved at this level, the matter should be raised with the principal of the organisation(s), or their nominee.