

### Heavy handed tactics jeopardise Telstra's future and shareholder value, say unions

The heavy-handed approach of senior Telstra management is undermining relations with staff and putting at risk the most significant investment in the company's history, unions said today.

About 1.4 million Telstra investors will receive a statement in the mail in the next few days from shareholders concerned with the approach the company's management is taking in regard to the forthcoming National Broadband Network (NBN) tender.

ACTU Secretary Jeff Lawrence said the shareholder statement was supported by many long-term employees who were committed to the viability of the company but were concerned about its current direction.

"These workers have a long-term stake in the company's success, but are worried by the short-term horizons of the current management team," Mr Lawrence said.

"It is their right, as shareholders, to express concern about the performance of the company. They want to encourage debate among Telstra investors at the forthcoming annual meeting over these important issues.

"They are worried Telstra management is jeopardising the company's future by its failure to work co-operatively. The management's stance on industrial relations is a clear example, where it has used Work Choices to refuse to negotiate a new agreement with staff.

"Telstra management has rejected offers to rebuild constructive relations with staff and their unions, and instead has been intent on an agenda of dividing its workforce and cutting the wages bill.

"Management's heavy-handed tactics and disingenuous statements have also put offside the government, regulators, other telecommunications providers, and customers.

"In particular, it is very worrying that the Chairman of the Board has threatened that Telstra may walk away from the NBN tender. There is nothing more important to shareholders than a positive outcome on the multi-billion dollar NBN project.

"Institutional investors as well as mum and dad shareholders ought to be concerned about the actions of the current management and the long-term risks posed."

Mr Lawrence said it was disconcerting that chief executive Sol Trujillo had a 13% pay rise to \$13.4 million despite attempts by shareholders last year to rein in executive remuneration.

Unions will be seeking meetings with major institutional investors in Telstra in the lead up to the annual meeting next month to outline these concerns about the approach of senior management.

*There are 32,000 staff at Telstra. The Communications, Electrical and Plumbing Union (CEPU), Community and Public Sector Union (CPSU) and Association of Professional Engineers, Scientists and Managers Australia (APESMA) in conjunction with the ACTU are calling on Telstra management to re-enter negotiations over a new collective agreement and transition arrangements for staff on AWAs.*

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