

Qantas involved in outsourcing scandal.

\$71 million contract with Satyam Computer Services backfires.

The IT services supplier Satyam Computer Services based in Hyderabad, India, has admitted to inflating its profits over several years affecting many Australian companies for which it provides a range of IT related work.

Qantas has been linked to this company after signing a \$71 million contract with the company two years ago.

The attempt by Qantas to reduce costs by slashing its workforce and sending IT work overseas has backfired as they are now caught in the disarray of a \$1.84 billion fraud and will have to create a new plan to overcome these difficulties.

We already know the damaging impacts of outsourcing: employers assume that labour arbitrage will yield savings. However, what outsourcing really does is shift Australian jobs to overseas workers and deplete the numbers and quality of skilled labour in Australia.

The Indian experience has not impressed on Qantas management the perils of outsourcing. Despite being caught up in this scandal, we are still hearing rumours that it is planning to outsource more IT jobs to IBM.

Obviously, they are slow to learn at Qantas.



The Spirit of Australia?

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FROM THE SECRETARY



Union members in Australia achieved something amazing in 2007 when John Howard and his government's Work choices laws were defeated at the election. On 1 July 2009 a new industrial relations system will start to operate that will provide union members better rights to organise in their workplaces and achieve improvements in their wages and conditions. The legislation isn't perfect, but it is a vast improvement.

However, there are still important issues outstanding for the union movement, particularly award modernisation and occupational health and safety.

The Rudd government wants to reduce the number of awards in each industry in order to simplify Federal industrial relations. Awards have been the safety net of the Australian industrial relations system since Federation and they contain conditions and rights that union members have struggled for over many years. Despite a commitment that no workers would be worse off, award conditions have been lost for many workers in this process. At the draft stage, the Australian Industrial Relations Commission did away with an award for the business equipment industry altogether. However, after submissions from the ASU to say that this would disadvantage workers in this industry, a modern award was created for the business equipment industry that preserves the key minimum conditions.

We also need to be concerned about occupational health and safety. Workers in NSW enjoy some of the toughest occupational health and safety laws in the country. Union members campaigned over many years for laws to make workplaces safer to allow workers to earn a living without being injured or killed at work. However, in trying to "harmonise" the laws across states the government has proposed that NSW workers lose key conditions including the right for unions to prosecute employers for breaches of occupational health and safety laws and to remove the onus of proof from employers to prove that they are not responsible for breaches. This significantly waters down the occupational health and safety protections for NSW workers.

Your union will continue to campaign with other unions around the country to bring all workers up to the high NSW standards of occupational health and safety. You can help by signing the online petition at <http://www.dontriskoursafety.com.au>. These examples demonstrate that even under a Labor government we need to keep organising in our workplaces and industries to make the best advantage of the new laws and to make sure the Federal Government does what we elected them to do.

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We welcome your letters and comments

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Plug into the environment with the ASU.

ASU ENVIRONMENT COMMITTEE

Interested in climate change? With global warming on the rise and governments failing to take action to stop it, what are the impacts on us, our communities, workplaces and industries? And what can we do about it?

The ASU is setting up an Environment Committee, open to all ASU members. Come along and discuss the problems and the solutions.

Register your interest with Emily on emily@asu.org.au and we will set up a meeting date (with teleconferencing facilities) during May.

MEMBERS TO VOTE ON CANON AGREEMENT

Canon Australia have put an agreement out for a vote by technicians after negotiators refused to back down on ASU members key demands for a new agreement. These include an across the board pay rise for all technicians, increased redundancy entitlements and the choice of redundancy or employment with a new owner if the business is sold.



ASU members plan to vote against Canon's proposed agreement.

The agreement that has been put out to a vote includes no guaranteed pay rises for any staff in the second or third year of the agreement and continues the flawed performance pay system that arbitrarily determines technicians' share of the "pool" each year.

The only things that Canon are offering in this agreement are access to jobshare, a one off increase to allowances equivalent to 3% per year for each year of the agreement.

Canon has also been spreading misleading information about technician claims for a choice of redundancy or transmission of business, saying that it is prohibited by the industrial relations legislation. They are clearly not aware that companies like Fuji Xerox already offer choice in some circumstances. Not surprisingly Canon haven't offered technicians choice in this agreement.

In fact the only things that Canon are offering in this agreement are access to jobshare, a one off increase to allowances equivalent to 3% per year for each year of the agreement.

Canon members have been united and strong throughout the campaign for a new collective agreement both at the bargaining table and on the ground backing up their delegates. Canon will need to continue to work together to put pressure on the company to make a decent agreement after the ballot.

Gow-Gates Financial Planning and Retirement Advice for ASU Members

Gow-Gates in partnership with the ASU can guide you in the process of meeting your pre-retirement and retirement goals.

Our services include advice in the following areas:

- Redundancy and early retirement
- Contribution to super strategies
- Pre-retirement planning
- Transition to retirement
- Allocated pensions and annuities
- Salary sacrifice
- Budgeting
- Maximising social security
- Estate Planning

Please contact our Union Liaison Officer, Maggie Ferguson on **(02) 8836 1111** or visit **www.gowgates.com.au**

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KNOW YOUR RIGHTS AT WORK FACT SHEET 7: LETTERS OF APPOINTMENT

When you start your new job one of the first things you should receive is a Letter of Appointment. This letter is very important as it outlines the key terms of your employment. The letter of appointment is an extremely important document and many disputes have arisen as a result of their poor wording. Make sure you read the letter closely before you sign it – if in doubt, contact the ASU before you sign.

This letter should outline the following:

- Your name
- The name of your employer
- The full name of the Award or Agreement you are covered by
- Your salary per annum and your hourly wage
- The classification you are employed under in the Award or Agreement
- If you are a Permanent or Fixed Term employee:
 - A permanent employee is one whose employment is considered ongoing.
 - A fixed term employee is employed to work for a “fixed” period of time, which cannot be more than 12 months. NB. There are conditions and limitations around fixed term employment under different Award and Agreements, contact the ASU if you have concerns.

If you are a Full Time or Part Time employee:

- A Full Time employee is generally one who works 38 hours per week
- A Part Time employee is one who works less than 38 hours per week
- Whether shift work is involved, and if so, the terms of that shift work
- Your hours of work. These are your minimum hours – you can consent to working more hours but you must always be paid for the hours stated in your contract.
- Your employer must also provide you with a Job description/Position description. This outlines the specific duties to be performed by the person in your job and your place of employment.
- The Letter of Appointment must be both signed and dated by you and your employer

Your letter may also contain references to policies of the employer.

It's imperative that you carefully read your letter before you sign in. If you have concerns you can raise these either with the Union or with your employer.

YOUR UNION MEMBERSHIP FEES: NO INCREASE THIS YEAR

SOME FACTS AND FIGURES

Once again your ASU membership fees for the 2009/10 year will not be increased, however it is likely that this is the last year that fees will remain unchanged. In recent years the fees have remained steady apart from the 'Your Rights at Work' levy. During this time the ASU has imposed various efficiencies and kept cost increases to a minimum. After the YR@W campaign the ASU retained the levy but did not further increase fees.

The ASU fee of \$7.90 a week for the top category of payment, was set in July 03. In July 04 this fee was increased by 10 cents a week – a 1.2% increase - and the ACTU levy of \$1.00 a week was imposed to pay for the 'Your Rights at Work' campaign. In July 2007 the Executive determined that the fee for 2007/8 would be retained at \$9.00 a week. This rate was set on the following basis:

- to enable us to meet the 2007 levy commitments,
- acknowledging that the levy would end shortly,
- acceptance that our underlying cost increases could no longer be absorbed as they had been in 04/05, 05/06 and 06/07.

On that basis the underlying fees have increased from \$7.90 in July 03 to \$9.00 a week (July 2010) – 14% in over a 7 year period. Over the same period of time CPI has increased by 20.6% (including projections for CPI to July 10).

The one exception to this was the 50 cents increase for PRD payers in 08/09. In building the 2008/09 budget the Executive was conscious of the need to again keep increases to a minimum. In addition the Executive is required to engage in ongoing risk management assessment. Based on the above the Executive determined to leave the underlying fees at the level of \$9.00 but to increase the fees to PRD payers and to Cash payers. This decision was taken with a view to the following:

- future risk management (the likelihood of an employer unilaterally removing PRD payments)
- reducing costs as far as possible
- meeting our own increased costs

For the 2009/10 year the Executive has maintained fees at their existing levels. However the Executive does anticipate that this decision will need to be reviewed in the lead up to the 2010/11 year.

WORKING AUSTRALIANS WIN PAID PARENTAL LEAVE



WE FINALLY REACH OECD STANDARDS

The 2009/10 budget delivered a huge win for workers and families across Australia with the introduction of a Paid Parental Leave Scheme. The introduction of Paid Parental Leave comes after a significant campaign over the last 20 years waged by Unions across Australia.

Paid Parental Leave will allow a primary carer to be paid at the federal minimum wage of \$543.78 per week, for 18 weeks. This is fantastic news for all families across Australia, but particularly for women.

Paid Parental Leave helps women stay engaged in the workforce after the birth, or adoption, of their child. Traditionally many women have been forced to leave work to care for their newborn child full-time. Paid Parental leave ensures a continued connection between the new mother and her place of employment by giving women a reason to stay employed with their current employer.

Paid Parental Leave is a significant win for the union movement and stands up there with public holidays, annual leave and superannuation. It gives workers the opportunity to take time off to care for their children without the concern of lost income. The birth or adoption of a child is often a time of financial stress, and the Paid Parental Leave Scheme help ameliorate this.

The World Health Organisation has identified that Paid Parental Leave can deliver significant benefits to a baby's health and development during the first six months of their life. Babies benefit from the high level of care provided by a parent, along with the health benefits of breastfeeding in the early weeks of their life.

But the fight isn't over.

The Productivity Commission has recommended that employers pay superannuation during the 18 weeks a primary carer is on parental leave. This has not been implemented despite costing only \$900 per carer and would ensure that parents who choose to care for their newborns are not disadvantaged upon retirement. This would help remedy the huge disparity between men's and women's retirement savings in Australia.

In recognition of the benefits to child and maternal health, Unions will continue to campaign to build on the Government model to achieve the WHO recommended 26 weeks paid leave from work for the primary care giver. The wages that women earn are important in most family budgets. Many women will be taking a significant pay cut when they are placed on the federal minimum wage for 18 weeks. We need to keep the pressure up on employers to top-up the government contributions and ensure women receive their full wages when on parental leave.