



State of the Union Report



Governing
Council 2010



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State of the Union Report



Stephen Jones
National Secretary
March 2010

At each Governing Council the National Secretary reports on the State of the Union and key developments since the last Governing Council. Since becoming National Secretary in 2006 I have delivered seven reports to Governing Council. This will be my last. In this report I'd like to make some observations on how the union and our industries have developed over that period, and how we are placed to prosper into the future.

Building on a proud tradition

As the National Secretary I know that every leader stands on the shoulders of those who have come before them and is only as good as the team they work with. I'd like to acknowledge those who came before me and those who I have worked with in my time as your leader.

At our last Governing Council we heard from former secretaries Paul Munro and Wendy Caird, and we talked about another, Peter Robson. They each made great contributions which we have all benefited from.

It was Paul Munro and Peter Robson, supported by members of the Reform Group who first transformed this union from a conservative tightly held staff association into a genuinely member based, delegate-led union.



Stephen Jones, Wendy Caird and Paul Munro.

They built delegates' committees and opened the organisation up to a new generation of leaders. This included many women who were previously excluded from representative roles.

They had the imagination, the energy and the drive to not only transform our union, but to change the broader movement. It was through the leadership of Paul Munro that we became an affiliate of the ACTU. It was through the leadership of Peter Robson, Joy Palmer and John McAuliffe that we amalgamated the principal Commonwealth Government unions.

Setting our own agenda

Their vision ensured we had a positive agenda to facilitate changes such as the introduction of computers and new technology. It was an agenda that ensured the old class and education barriers to employment and promotion were replaced by merit.

Wendy Caird became National Secretary in 1995. A year later she was confronted with the challenge of leading the organisation under John Howard.

As the institutions of compulsory conciliation and arbitration were dismantled by Howard and Peter Reith, Wendy adopted new organising strategies and began the process of restructuring including the introduction of new payment methods for union fees.



Hanging tough & fighting back

There were membership losses as departments were closed down and Government Business Enterprises were privatised, but through all of this Wendy kept the organisation together, modernised our finances and kept the receivers from our doors.

Not only was Wendy a great advocate for the CPSU and a role model for women, she was often called upon to be a spokesperson for the broader movement. Who can forget that it was Wendy alone who fronted the media on behalf of the ACTU after the disastrous cavalcade to Canberra in 1996.

Modernising the CPSU

In 2002 Wendy was succeeded by Adrian O'Connell. Adrian also made a great contribution which, in my opinion, has not been properly acknowledged.

He modernised our rules and structures, introduced state-of-the-art technology to our membership systems and drove the establishment of the Member Service Centre (MSC) – among the world's first union call centres.

There were, of course, many other CPSU leaders over the last 20 years with the vision and courage to embrace change who also deserve our acknowledgement and thanks. They include Paul Tregillis, David Bunn, Sally O'Loughlin, Margaret Sexton, Sue Mountford, Mal Larsen, Doug Lilly, Matthew Reynolds, Margaret Gillespie and Mark Gepp.



Adrian O'Connell, former CPSU National Secretary (right) talking with Vanessa Ferguson.

Embracing change

When a new secretary takes office, it is essential that he or she looks upon the organisation with a critical eye. We must continually adjust our strategy to meet the times. This means acknowledging what is good and identifying what needs changing. I implore my successor and this council to do just that.

Acknowledge what is good, identify what is lacking and what needs changing.

An industry voice

When I became National Secretary I thought that we had not spent enough time and energy promoting a proactive agenda. While we were focussing on critical internal issues we sometimes missed the opportunity to be a credible voice on issues in our industries and workplaces.

However, there were times when we did not have enough to say about our industries and workplaces that our members worked in. We lacked a clear agenda for bargaining, for our industry, and for politics beyond the very limited and predictable catchcries.



Reforming our union

We started by focusing outwards – we revamped our values so that all of us had a consistent message in answer to the question: “What does the CPSU stand for?”

We developed a *Core Claim* for bargaining and we dived into the *Your Rights at Work* campaign.

The *Core Claim* transformed the way we bargained. Before this we had had no consistent agenda for bargaining.

The result was that we would say no to the things the employer wanted and say +1% to whatever they offered.

We would fight hard campaigns in one place to retain a condition, and concede it without a whimper in another. Employers knew this and would use the lesser outcomes as precedents in their campaigns.

This council took the view that members expected more. They expected leadership – they expected the union to have a view about things that went on beyond the door of their workplace.

Your Rights at Work campaign

Your Rights at Work transformed the way we campaign and do politics in this country. We were successful because we were focused and disciplined. We did the hard work and we were well-financed.

Together we raised more than \$3 million in voluntary individual donations from CPSU members. Together we knocked on doors, marched, prosecuted, advertised and promoted our way to a change of government and to new workplace laws.

Along the way we changed our view of politics. We decided it was no good just getting Labor elected. We wanted a say in what they did when they got there.

Now, as an affiliate, we are represented in the committees, conferences and councils that set the platform and the policy. We now have a strong and credible political voice that complements our industrial strength. It is true that people now come to us seeking our views on things that they never did before.



CPSU members on the march.



Tax Office members making a point.

Changing the way we campaign

When Kevin Rudd took office in November 2007 we were nearly ready for it. We knew exactly what we wanted in a new set of workplace laws. The new laws came into force in July 2009. They have made a difference, but more is needed.

We were less clear about what we wanted for our workplaces and our industries. For 10 years we had honed our capacity to say **NO** and campaign to stop things – we were less good at describing what **YES** might look like and campaigning around that. So in 2008 we started to build the yes agenda: the CPSU's *Agenda for Change*.

It's a big agenda with 10 separate areas identified for action: funding quality government services, open and transparent government, fair and democratic workplaces, closing the pay gap, attracting and retaining workers, employment of Aboriginal and Torres Strait Islander workers, work life balance, protecting people at work, an education revolution at work and environmental sustainability.



Agenda for Change – progress so far

We set ourselves five years to achieve the goals set out in the *Agenda for Change*. We have work underway in each of these areas. Already we have plenty of runs on the board:

- securing a positive statement from the Government about the role of delegates and unions in the workplace
- securing new APS guidelines that provide recognition and facilities arrangements for union workplace delegates
- securing agreement with Government that all new APS agreements will expire in June 2011, which will help address the alarming pay gaps that have emerged over the past decade
- securing the removal of the extra 2% efficiency dividend and campaigning successfully to ensure the Commonwealth did not slash jobs during the global financial crisis
- establishing the Human Services Round Table to provide mechanisms for front-line workers to engage with client groups, community leaders and management on improving services, effectiveness and efficiency
- securing the employer contribution to superannuation in agreements as the first step in reforming our super arrangements
- establishing a new network of Aboriginal and Torres Strait Islander workers
- securing commitment from the Government that it will not support contracting out, which undermines the wages and conditions of Commonwealth public sector workers
- securing improvements in paid maternity leave.

Supporting our delegates

We said that we wanted to rebuild our delegate structures so that the union truly represents the interests of the members in the workplace. We have taken a step down that path. In 2009 we again improved our performance:

- electing more than 1,193 new delegates
- training more than 1,050 new delegates
- conducting annual delegate conferences in each State
- winning recognition for delegates' rights in Government policy and agreements.



Securing our finances

Unlike some unions, the CPSU does not have large sources of alternative income. Over 96% of income comes directly from membership subscriptions. The responsibility for these functions within the union is as follows.

Money matters

- *Member Service Centre* – collecting and processing membership dues from direct debit and credit cards
- *Outbound Call Unit* – follows up failed credit card transactions
- *National Finance Unit* – manages accounts and investments and the Credit Management Team who follow up unfinancial members
- *Information Services Unit* – maintains our IT systems.

In March last year Governing Council approved new subscription rates as part of a three-pronged strategy to re-base our finances:

- reduce unfinancial members and write-offs through pro-active credit management
- adjust subscription rates to bring them into line with wage increases over the past 10 years
- annual census of members' salaries to ensure they are paying the correct rate.

The results are in and it has been a great success:

- unfinancial members are now at 0.5%, down from 7.3% in 2006
- 'write-offs' of unpaid dues are at \$170,000, down from \$1.125 million in 2006
- over 54% of members have declared their actual salary
- revenue is expected to be \$25.8 million this year up from \$21.9 million in 2006.

This money will be put into campaigns and organising work.



Members by tier and % who have declared their actual salary				
Tier	Rate	Salary Provided	Members	% salary declared
CAS		25	499	5.01
L1	8.15	859	3,358	25.58
L2	15.15	1,801	7,021	25.65
L3	21	12,512	24,702	50.65
L4	24	9,058	12,347	73.36
L5	26	3,807	4,673	81.47
L6	28	1,599	1,942	82.34
TOTAL		29,661	54,542	54.38



Membership

Our capacity to deliver on the *Agenda for Change* is underpinned by strong and active delegates and high density in our workplaces.

Density matters

Maintaining membership and density is now critical as staff turnover of around 12% per annum quickly erodes the gains we make in new member signups.

From this we have calculated that we need to recruit more than 8,000 members each year to stand still and more than 9,000 each year to make a significant shift in density.



Membership by region

Region	Members
ACT	13,029
FNQ	1,658
NSW	13,175
NT	2,475
SA	3,151
Sth QLD	5,824
TAS	1,606
VIC	10,309
WA	3,389
Unknown	10
TOTAL	54,626

Membership by team

Team	Members
BPIA	12,147
COMSci	4,950
CST	14,468
NTGov	1,516
PHACS	8,868
ACTGov	2,577
T&R	10,095
Unknown	5
TOTAL	54,626

Membership by industry

Sector	Employees May 09	CPSU Members 30 June 09	CPSU Members February 10
APS	160,001	42,345	41,986
Fed Stat Authority		3,878	3,928
Fed Parliament		231	221
Fed GBE		824	780
ACT Government	6,500	2,591	2,558
NT Government	5,800	1,481	1,524
Agency – ABC	3,418	1,522	1,472
Agency – CSIRO	6,423	3,135	2,852
Agency – Telstra	15,500	1,975	1,760



It’s time for new approaches

This report shows that we need to continue to find new approaches to the task of increasing our size and density.

Part of what we are doing is working. Our *Agenda for Change* has engaged new groups of members, and delegates are approaching colleagues about joining the union to support this campaign.

We have had some success with new online communications and direct interaction with potential members. Similarly our growth initiatives focussing on the ACT, Human Services and Graduates have delivered some promising results.

But based on recent figures we will need to do more.

In the first six months of 2009/10 cessations have outstripped recruitment by more than 600 members. This means we have a big challenge to maintain membership.

There are a few reasons for the under performance that require careful assessment by Governing Council:

- our positive *Agenda for Change* has won widespread support, but this has not yet translated into membership growth
- the new growth initiatives endorsed by Governing Council for Human Services, the ACT and for new worker induction sessions have taken longer to rollout, than originally anticipated
- membership in Telstra has continued to decline despite our efforts to win a new collective agreement
- returns from traditional drivers of growth – such as agency bargaining campaigns are declining
- organising staff have had to focus on industrial and representation work which is important, but has not delivered sufficient recruitment
- delegate-based recruitment has not improved at sufficient levels to match cessations
- turning the new AGEBF delegates’ rights into practical working arrangements within individual agencies is proving more complicated than anyone expected.

Overview of recruitment and cessation 2005–2010

	05-06		06-07		07-08		08-09		Year To Date Feb 10	
	Rec	Cess	Rec	Cess	Rec	Cess	Rec	Cess	Rec	Cess
ACTGov	489	339	521	412	430	441	394	385	217	225
BPIA	1,258	1,159	1,620	1,112	1,315	1,434	1,481	1,557	992	907
COMSci	1,034	1,457	1,092	1,341	819	1,636	778	1,490	399	850
CST	1,620	1,596	1,228	1,506	1,441	1,779	1,956	1,575	1,219	1,316
NTGov	408	252	170	263	234	320	153	273	181	144
PHACS	1,483	1,639	1,595	1,425	1,955	1,769	2,233	1,850	774	794
T&R	765	967	770	880	773	1,085	1,022	1,017	642	852
Unknown	15	63	7	47	3	50	1	24	1	1
TOTAL	7,072	7,472	7,003	6,986	6,970	8,514	8,018	8,171	4,425	5,089

NB: the re-alignment of teams in December 2009 substantially increased the size of the CST and T&R teams while decreasing the Comms and PHACS team.

How are we performing, year to date, compared to this time last year?

Recruitment to Feb 2009 = 5,265	Recruitment to Feb 2010 = 4,425
Cessation to Feb 2009 = 5,509	Cessations to Feb 2010 = 5,089



Behind the scenes

For many members the face of the union is the delegate, organiser or official who play a critical role in dealing with their needs. But behind the scenes there are teams of people who do a great job helping, informing, researching and supporting members and the whole organisation. Here is a snapshot of just some of their work.

Member Service Centre/ Outbound Call Unit

The MSC comprises the inbound and outbound call units and the membership processing team.

Since July MSC staff have dealt with more than 4,000 individual cases. This involved preparing over 11,500 letters, draft response reviews, hook-ups, and phone advices.

More than 600 activist inquiries were handled and they have made a real difference to members' lives. We have provided expert and effective advice and support on:

- unfair termination recommendations
- mediation at Australian Human Rights Commission and Fair Work Australia
- work practice changes
- workers compensation reconsiderations
- performance management processes.

The MSC has also joined more than 550 members and turned around 600 members who considered resigning. They do a great job.

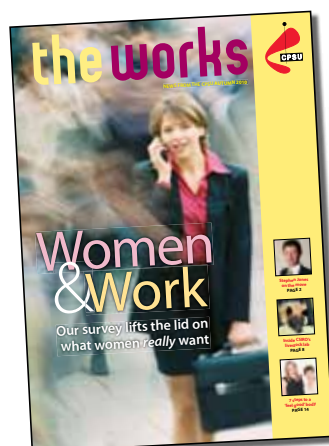
Policy and Research Unit

In the Policy and Research Unit, our staff do legal, economic and policy research and represent members in court. In the last few months they have made over 20 complex submissions to federal and territory parliamentary inquires, dealt with Fair Work Australia matters and spent hundreds of hours lobbying politicians.

Campaign and Communications Unit

In the Campaign and Communications Unit we keep members informed through e-news, bulletins, our magazine *The Works* and through the mass media. We keep media and the public informed by being proactive on issues that impact our members. In the past six months we have:

- dealt with around 400 media inquiries
- issued about 50 media releases
- posted more than 1,500 web stories
- published more than 1,000 bulletins
- redesigned and published four issues of *The Works* and launched an online version.





Wages and Conditions Unit

The role of the Wages and Conditions Unit is to provide high level negotiation, legal and industrial support on a range of issues including :

- our *Core Claim*
- Australian Government bargaining guidelines
- bargaining
- health and safety legislation
- workers compensation
- superannuation.

We deal with more than 240 agreements every three years. In the past 12 months we have spent around 3,500 hours in negotiations to settle 60 agreements, including Defence, Australian Tax Office and Centrelink.

The new AGEBA has effectively capped wages for agreements since September 2009 at 3% per annum, and for public service agencies has locked in the nominal expiry date of June 30, 2011.

Bargaining this year has also secured agreement to pay superannuation on unpaid maternity and parental leave in two agencies; the Fair Work Ombudsman and the Australian Bureau of Statistics.



National Secretary Stephen Jones and Deputy National Secretary Nadine Flood.

Growth and Development Team

The Growth and Development Team is responsible for a number of big initiatives to support delegates and grow the union:

- **CPSU Delegates Project** – a national plan to rebuild, renew and support CPSU's delegate structures
- **Canberra Campaign Team** – a Canberra based unit to run campaigns and undertake growth strategies in this important region
- **New Starter Recruitment Project** – a national project team dedicated to recruiting new starters as they commence employment in our industry
- **Human Services Growth Campaign** – a plan to shift union density with the involvement of 50 member growth campaigners over 2010 working full time on growing the union in this critical portfolio area
- **Graduates Intake 2010** – a campaign to build a vibrant CPSU network among new graduates entering the service. The network is led by graduate activists from the 2009 intake
- **Fair Work Education and Information Program** – government funded training program on the Fair Work Act delivered by the CPSU
- **Regional Delegate Conferences** – a program of delegate conferences around the country
- **Internal capacity development** – development programs to equip our organisation with the necessary skills to meet our challenges now and into the future.

Thank you & goodbye

It takes a team to run a union and our team does a great job. While the challenges are many, I am confident that as I sign off on my last State of the Union Report I am leaving the union in good hands.

Stephen Jones
National Secretary



Authorised by Stephen Jones, National Secretary, March 2010

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