

E-BULLETIN Telecommunications

#20 Friday, 1 November 2013

1. **CSD redundancies: Telstra wants volunteers.**
2. **CWU calls for halt on Telstra RDO changes.**
3. **Optus mobile outsourcing put on hold.**
4. **NBN Co reviews contracts in light of outsourcing scandal.**
5. **Progress slows on NBN roll-out.**
6. **Premium technician: CWU pursues grading issues.**
7. **Telstra vehicles: cars that fall over.**
8. **Back to the Fewster?**
9. **Is the NSA watching you?**

1. CSD redundancies: Telstra wants volunteers

Telstra intends to call for volunteers for up to 300 redundancies from within Customer Service Delivery (CSD). The redundancies would be part of the total 1100 Operations job cuts announced earlier this year.

Job Losses

In the CWU's view, these proposed reductions are not redundancies at all, at least not in the sense of jobs surplus to requirements.

We have requested that Telstra indicate where it expects the volunteers to come from and what financial calculations are driving the move before any of these redundancies are set in train.

Telstra itself has said that the actual scope for redundancies in many sections of CSD is limited, especially within the field workforce.

This is surely something of an understatement.

The CSD workforce is already under pressure to deal with work backlogs, themselves the legacy of years of underfunding of network maintenance.

And the possibility of Telstra's winning new work associated with NBN construction also means that skilled staff can't be spared.

With Telstra revenue growth tracking at low single digit levels, the pressure is on from the financial number crunchers to cut costs – and where better than in labour-intensive areas like Customer Service Delivery?

But redundancies – whether voluntary or not – will provide no solution to the operational problems facing CSD.

Nor will the increasingly haphazard and reactive changes to work organisation and work practices, such as changes to Rostered Days Off (RDOs), that are being introduced in the CSD area.

Telstra needs to step back from its Operations Review and take stock of what its real operational requirements – as opposed to its short-term budgetary ones – are likely to be over the coming period.

And it needs to adopt an approach that encourages its staff to be part of the solution, rather than the casualties of what increasingly appears to be a CSD management in disarray.

2. CWU calls for halt on Telstra RDO changes

The CWU is opposing changes that Telstra is introducing to the scheduling of Rostered Days Off (RDOs).

After several attempts to get Telstra to call a halt to the process we have now lodged a dispute notification with the Fair Work Commission.

Obviously the most popular days for taking RDOs are Mondays and Fridays. But members report that managers in Customer Service Delivery (CSD) are now taking Monday and Friday RDOs off the menu.

Apparently the move reflects attempts by service delivery Executive Director Phil Sporton to lift productivity.

According to Telstra, service requests build up over weekends and there are then not enough people to deal with them on a Monday because everyone is on an RDO.



Many managers resent the extra day off available to Telstra employees.

CWU members dispute this. But even if it were so it hardly explains why Friday RDOs are also being severely curtailed.

The CWU has made representations to Telstra on this issue and has been told that there has been no directive from senior management to “black ban” RDOs on any particular days – as opposed to evening out (or “flat-lining”) attendances across the week.

But the evidence from the field suggests otherwise. CWU members from various States report that supervisors are pursuing the Monday/Friday “ban” vigorously.

The fact is that many local managers simply resent the fact that their staff members enjoy a nine day fortnight when they don’t.

If Telstra imagines, though, that by allowing local managers to give vent to these resentments they will lift productivity, they are likely to prove mistaken.

3. Optus mobile outsourcing put on hold

Optus has put plans to transfer mobile construction work to Leighton’s subsidiary, Visionstream, on hold.

The move comes in response to press reports about the leak of confidential commercial information during the tender process that saw the construction of the Optus 4G network awarded to the company.

It is now known that details of Visionstream’s bid were obtained by another Leighton’s company, Silcar, probably with the assistance of Visionstream insiders.

Leighton recently sacked several Visionstream and Silcar employees implicated in the scandal, including three managers and two other employees. But until the recent media reports the behaviour has remained hidden from shareholders and the public.



In response to the revelations, Optus has frozen plans to transfer mobile construction staff to Visionstream.

That will be welcome news to those employees who have expressed concerns about the move.

Not unreasonably, many Optus employees think that Visionstream at present offers a rather uncertain future.

Indeed the same might be said for the telecommunications contracting sector as a whole, with the NBN project taking its toll on major and minor contractors alike.

It remains to be seen whether Optus will now proceed with Operation Cortez, as its outsourcing project is called.

But in the CWU's view the retention of an internal workforce with the relevant capabilities would seem a wiser approach.

4. NBN Co reviews contracts in light of outsourcing scandal

NBN Co is reviewing its contracts with telecommunications contractors Silcar and Visionstream in light of reports of their involvement in leaking confidential commercial information about an Optus contract.

Executives from the two Leighton's companies reportedly acted to ensure that Silcar had access to information about Visionstream's bid for work building the Optus 4G network.

The same executives are said to have also worked closely with NBN Co. Both Visionstream and Silcar have contracts with NBN Co for volume roll-out work.

Whether or not any evidence of collusion is found by NBN Co, the fact remains that the telecommunications contracting sector is highly concentrated, at least at the prime contractor level where most design and project management functions sit.

It is also unstable, as the collapse of NBN contractor Syntheo and the absorption of Silcar into Thiess have shown. Further consolidation of Leighton's activities in this area may also be on the cards.

These factors suggest it is time for a reassessment not just of specific contracts but of the whole construction model on which the NBN roll-out has been based.

The initial idea of multiple providers competing vigorously and independently for NBN work has proven to be illusory. It must also be asked whether it ever favoured the efficient mobilisation of resources that is essential to a project of this scale, no matter what technologies are used.

The challenges facing the NBN project extend well beyond those involved in the actual construction of the network – but it cannot succeed unless these are faced squarely and addressed.

5. Progress slows on NBN roll-out

The most recent figures for the NBN roll-out show that construction slowed to a snail's pace during October with just 5,919 premises being passed by fibre over the last four weeks.

NBN Co has pointed to the ongoing impact of the asbestos removal programme on the roll-out's progress. The CWU understands, however, that broader economic difficulties among contractors – or to put it more bluntly, losses – as well as uncertainty about the current government's plans have been at least as important in slowing construction.

Certainly the September fibre figures were a healthier 33,000 premises passed. But this rate of progress was still leaving the company well short of its original targets.

The latest figures show that at the end of September NBN fibre had passed fewer than 300,000 premises altogether – less than half the number proposed in its 2012-2015 plan and a fraction of the 1.2 million originally scheduled for completion by June 2013.

This slow progress can't be blamed on either the change of government or the asbestos issue which only began to affect the roll-out in mid-year, some months after NBN Co had made even further revisions to its June 2013 targets.

Under the original roll-out schedule, NBN Co was to be passing some 6,000 premises **a day** by 2014 or about 36,000 a week (assuming some overtime/Saturday work). These most recent figures show the company passing an average of just under 6,000 **a week** since the beginning of July this year.



Slow progress: is asbestos the main problem?

Why is it so?

The present government plans to speed the roll-out through the use of technologies which allow it to avoid the need for civil works on the scale of an all-fibre network.

But it would be a mistake to assume that this will solve all its timetable problems.

In its original Corporate Plan, NBN Co warned that a "significant risk" to its targets was "an economy-wide shortage of available construction resources" i.e. suitably skilled workers willing to work at "acceptable cost".

Setting aside the question of what costs (i.e. wages/rates) are "acceptable", the CWU believes that the risk posed by skill shortages remains. If the government's 60-day review ignores this question, it will be at its own peril.

6. Premium Technician: CWU pursues grading issues

The CWU is continuing to pursue Telstra over the correct grading for Premium Technicians.

The range of functions being performed by Premium Technicians reflects the increasing demand in both the consumer and corporate markets for multi-skilled and IT-capable workers. The CWU supports the up-skilling of the current Telstra workforce to respond to these market opportunities.

In the CWU's view, however, what is involved here is an extension and upgrading of existing roles, not the creation of a completely new job.

The union also considers that the enlarged skill requirements of the job (as in "premium") means it should be graded at CFW 7 level. Telstra says a Premium Technician is a CFW 4.

Some years ago when Telstra was shedding thousands of jobs, the company said its challenge was to do more with less. These days its plan is clearly to ask staff to do more *for* less – less, that is, than their skill level deserves.

Telstra is yet to respond formally to CWU representations on this issue.

7. Telstra vehicles: cars that fall over

The CWU has made representations to Telstra about the safety of certain Telstra vehicles following a dangerous incident in the Northern Territory.

A Toyota 4-wheel drive tray-back being trialled for use by employees was involved in a roll-over. The incident occurred less than 5 weeks into the trial. Fortunately no-one was hurt.



Spot the health and safety hazard: the CWU is pursuing this vehicle safety issue with Telstra.

The Toyota vehicle has a larger V8 engine than the 6 in line used in previous 70 series models so the distance between the shock towers at the front had to be enlarged by 100mm to accommodate it, resulting in the front diff also needing to be widened by 100mm.

The rear diff remained unchanged, so accordingly is 100mm narrower than the front diff.

The resulting mis-alignment between the back and front wheels creates a hazard, especially on any camber in a soft surface (sand, dirt) as the rear wheels want to track with the front wheels.

Members involved in the trials report that the vehicle has unpredictable, twitchy handling.

There is also another potential problem as Toyota factories GVM for the 79 series is 3300kg, but fitted out for Telstra the vehicles weigh approximately 3540kg with driver.

This may also exceed the weight rating of the factory fitted tyres.

The current Nissan vehicle that the Toyota is potentially designed to replace has approximately a 200mm wider wheel track than the Toyota and the load height sits lower, making it far more stable.

The CWU has met with Telstra Fleet and Corporate HR to discuss the suitability of the vehicle, especially for rural/remote conditions.

8. Back to the Fewster?

The CWU has been advised that former Director of Human Resources, Darren Fewster, is returning to the job.

At its Investor Day briefing session on 23 October, Telstra announced a number of changes to its senior management team.

The changes are designed to support the company's new strategic direction, including a growing emphasis on global markets (especially Asian), on advanced network services such as cloud and on product innovation.

But a personnel change that was not announced at the time was the appointment of a new head of Corporate Human Relations. Current head, Julian Clarke, is to be replaced with Darren Fewster – the man who headed up Telstra HR during the long-running enterprise bargaining negotiations of 2008-2010.

So what is this change designed to achieve?

Since the 2008-2010 period, relations between Telstra and the CWU have improved at least to the point where it has been possible to achieve an acceptable new Enterprise Agreement without a disruptive and costly industrial dispute.

Given the many challenges still facing Telstra and the Australian economy more generally, it would be better for all parties if this approach continued.

The CWU wishes Julian Clarke well in his new position of HR Director for the new Global Enterprise & Services business unit. We look forward to a productive working relationship with his successor/predecessor.

9. Is the NSA watching you?

In the most recent in a series of revelations about the activities of the US "security" state, it is now being reported that the US National Security Agency (NSA) has intercepted the main communications links used by Google and Yahoo to shuffle their traffic around the world.

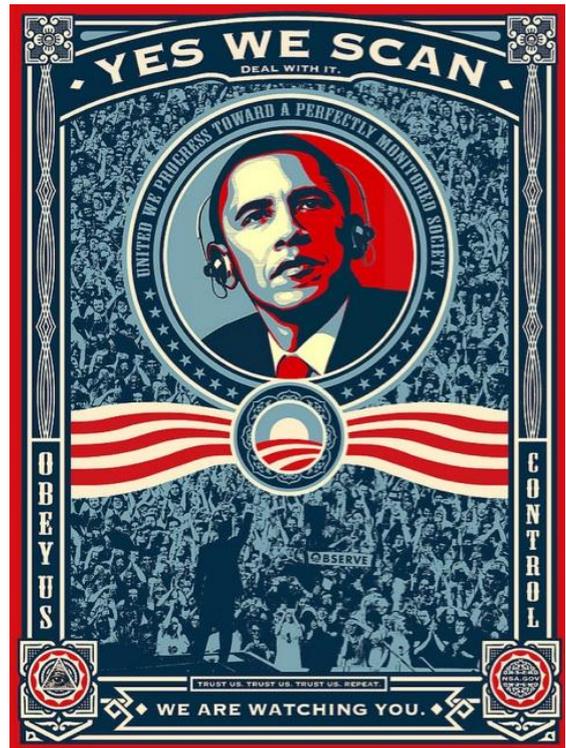
The companies have reacted angrily to reports in the *Washington Post*, based on documents provided by whistleblower Edward Snowden, that information from hundreds of millions of accounts was being stored and sifted in Fort Meade, Maryland.

Your search records could be among them.

Google and Yahoo already provide information to the US security agencies under the US government's Prism programme, ostensibly designed to allow early detection of terrorist threats but in fact allowing monitoring of all and any political activity and dissent.

But the illegal interception of the internet giants' cable connections takes the activity to another level.

It is in line with other recent revelations of the illegal interception by the US of the phone of German Chancellor Angela Merkel – a matter that has soured US-European relations and highlighted the global reach of the activities of the US military-intelligence complex.



Several commentators have suggested that with these latest episodes, the Age of Innocence of the internet has finally come to an end.

Certainly, they are a reminder that the uses of technology are only as good as the society in which they arise.



Download our CWU phone app



**We welcome your comments and contributions –
send us an email and let us know what you think via cwu@cwu.org.au
Check out our webpage at www.cwu.org.au**