E-BULLETIN Telecommunications

#12. Friday, 12 July 2013

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1. Network Assisted Services: Telstra sends more jobs off-shore

The CWU has met with Telstra over the company's plan to offshore 170 jobs from its Network Assisted Services (NAS) business.

Telstra says that the plan is part of a growth strategy for NAS that will see a net increase in local jobs in the business this financial year. But that increase would appear at this stage to be largely due to the telecommunications services contract Telstra recently won with the Department of Defence.

Australian companies should be growing the local skill base, not sending jobs offshore.

Telstra expects this to create 350 new positions, including some for high level IT and security experts. It is in the nature of the contract that these jobs be based in Australia.

In other words, when NAS work has to be done here, it will be. When it doesn't, it may well go off to India which Telstra says provides access to a larger highly-skilled talent pool than is available in Australia.

Or a cheaper, more "flexible" one!

Why otherwise would employees whose jobs are being sent offshore be asked to train their new overseas counterparts in the job? Who is it that actually has the relevant skills?

The CWU recognises the imperatives and the opportunities that are leading Telstra to try to expand its business globally, with an emphasis on the Asia Pacific region. But its position on local employment is, at best, contradictory.

If there is a shortage of skilled IT workers in Australia, how does it help to send the jobs of such existing workers offshore? Apart from their impacts on individual employees, such moves can only help hollow out the national skill base and discourage young Australians from entering an industry which is critical to our national future.

The CWU will be pursuing these issues with Telstra when we meet again next week while also exploring the opportunities for redeployment and retraining available to those affected by the NAS proposals. As the planned reductions are to take place over 12 months beginning this October, there is the possibility of new openings in NAS in future.

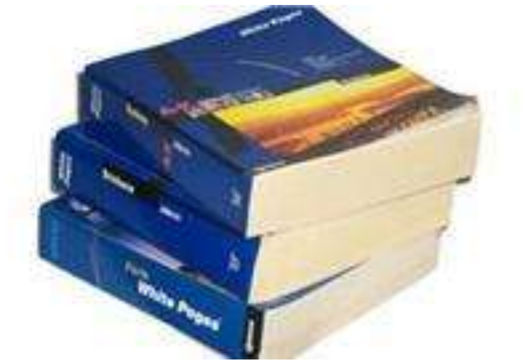
Meanwhile, it appears that Telstra employees may once again be asked to train the “industry partner” workers who will be taking over their roles. Telstra says that, should it occur, this embittering process will be entirely voluntary. Any members approached to perform such training should contact their state branch for advice.

2. CWU supports moves to defend Sensis jobs

The CWU has told a government inquiry that it supports moves to stop Telstra offshoring Sensis jobs.

Sensis, a fully-owned subsidiary of Telstra, produces the White and Yellow Pages which Telstra must produce and distribute as one of its licence conditions. It is now moving to send this and other Sensis work offshore, to the cost of some 470 jobs.

Further job losses in Telstra’s Billing and Credit Management Business unit, announced last week, appear also to be partly attributable to the Sensis decision. Of the 89 roles to be cut the CWU understands that some 56 involved work for Sensis.



Earlier this year, Greens Senator Adam Bandt proposed amendments to telecommunications laws requiring Telstra to produce its directories in Australia.

The move failed but in late June the Senate agreed to refer the issue to the Senate Environment and Communications References Committee. The Committee has been asked to inquire into the impacts of imposing a new licence condition on Telstra in line with the Bandt proposal.

As the timelines for the inquiry were very tight, the CWU made only a brief submission. We argued that if mechanisms for keeping industry jobs in Australia existed or could easily be developed they should be used.

The CWU recognises however that imposing such an obligation on one company alone does not represent an adequate policy response to the offshoring problem at either an industry or national level.

What is needed is a more comprehensive policy response which provides incentives for all companies to support local employment and ensures that any regulatory obligations to this effect are shared equitably.

3. CWU members in Telstra raise asbestos concerns

The CWU is continuing to receive a large number of inquiries from members, former members and members’ families about exposure to asbestos during their time working for Telstra (and its predecessor companies).

The recent publicity over the treatment of asbestos in the NBN roll-out has, quite understandably and rightly, raised doubts in people’s minds about Telstra’s handling of this issue in the past and the accuracy of its records in this respect.

The CWU has been in discussion with Telstra over these questions for several weeks and has impressed on the company that it must address employee concerns in this area. For its part, Telstra has acknowledged the need to review and where necessary upgrade its asbestos-exposure data so that any actual or potential exposure of employees –past or present – is appropriately recorded.

As members would appreciate, thorough and well-preserved records are essential in this case because of the very long time that can elapse between exposure and the development of asbestos-related disease.

The CWU will advise members what steps are being put in place to address this issue as soon as they have been finalised. We have recommended that Telstra set up a special "hot line" for this purpose in addition to the one that has been established to deal with queries from the general public.

It should not be necessary for all members concerned with possible exposure to re-register with Telstra. Incident report forms (P400s) have been stored electronically since the early 1990s and are accessible. Employees who have never filled out such forms or whose possible exposure dates from an earlier period may need to provide fresh information.

The CWU will provide advice to members on these questions as soon as procedures have been agreed and put in place.

4. Asbestos Taskforce update

The Asbestos Taskforce set up by Employment Relations Minister Bill Shorten continues to meet to consider measures to protect workers and the public from asbestos exposure in the course of the NBN roll-out.

The CWU is represented on the Taskforce by Divisional Assistant Secretary Ken Hardisty and NSW Postal and Telecommunications Branch Assistant Secretary Shane Murphy.

Under the terms of the Taskforce, both Telstra and NBN Co have to report on a range of matters related to the presence of asbestos in Telstra ducts and pits:

- Measures being taken to identify and modify/remove any pits that pose health and safety risks during the course of the NBN roll-out.
- Longer-term options for removal of all asbestos from Telstra infrastructure.
- Development and implementation of a training programme for those working on that infrastructure.

Union representatives on the taskforce have also proposed that a number of independent observers be employed to oversee the implementation of these measures. This has led to the creation o fourteen "monitoring" jobs which will be jointly funded by NBN Co and Telstra, initially for 6 months.

These are in addition to some 125 asbestos inspection and supervision specialist positions (of the 200 originally announced) that Telstra has now filled internally

Details of the positions are set out below. CWU members and former members who have the background to do this work are urged to apply and/or to pass this information on to others who may be interested.

The union is keen to see these positions filled by people with industry experience and with a good union outlook.

Asbestos Taskforce - Independent Monitors

- **APS LEVEL 6 - $77,230 TO $84,927**
- **NON-ONGOING | FULL-TIME**
- **ASBESTOS SAFETY & ERADICATION AGENCY | ACT, NSW, VIC, TAS, SA, WA,**
- **QLD AND NT**
- **REFERENCE NUMBER: 13/0440-ASEA**
- **CLOSING DATE: 19 JULY 2013**

Following a number of reported instances of the inappropriate handling and removal of asbestos containing materials (ACMs) during the Telstra/NBN cabling rollout, the Australian Government established an independent taskforce to monitor ongoing activities and prevent the exposure of employees, contractors and the public to potential exposure to airborne asbestos fibres, including comprehensive training and supervision of employees and contractors.

The primary role of the Taskforce is to oversight the safe handling and removal of ACMs from Telstra pits involved in the NBN rollout; and supervise monitoring of the removal program. On behalf of the Taskforce, the Asbestos Safety and Eradication Agency (ASEA) is seeking up to 14 independent monitors for non-ongoing engagement across Australia.

ASEA is the national agency working with governments and stakeholders to prevent exposure to ACM's by Australians.

The monitors will independently monitor and verify that work on the NBN roll out that may involve asbestos-containing materials is being conducted in a way that ensures the safety of employees, contractors, nearby residents and the general public. This would include review of control measures, proper disposal of asbestos-containing materials, compliance with safe work method statements, proper use of personal protective equipment (PPE), and training records. Monitors will also provide weekly reports to the Asbestos Taskforce.

Qualifications/Special Requirements:
Essential – sufficiently expert in asbestos awareness, handling and removal.
Desired – relevant workplace experience, good judgment, able to analyse information and effective communication.

Please note, under section 22(8) of the Public Service Act 1999, employees must be Australian citizens to be engaged in the APS unless the Agency delegate has agreed, in writing. Applicants are to indicate their citizenship when applying online.

Contact Officer: Steve Kibble on (02) 6240 9013

For further information regarding the Department of Education, Employment and Workplace Relations, please visit our website at www.deewr.gov.au.

5. Membership safety alert: Dexbond

The CWU continues to be at odds with Telstra over the use of a new sealant in the wireline network.

As reported earlier this year, Telstra has been trialling a new two-part sealant called Dexbond to replace the epoxy product currently used to seal network joints. Part B of the product is carcinogenic, a fact clearly identified in the manufacturer's data sheets.

The CWU does not regard the product as being safe, despite arguments put forward by Telstra as to procedures that can minimise any risks involved in its use. In practice, there are always pressures in the field to take short cuts to get jobs done. In these circumstances the best laid safety procedures go out the window.

In the CWU's view the best way to deal with a known carcinogen is not to use it. In line with this approach, the union strongly advises members not to use the product.

According to Telstra, use of Dexbond is entirely voluntary. Members who feel they are being pressured to do so should report this immediately to their union office.

DexGreen CLOSURE SEALANT 10B
(Parts A, B, & uncured mixture)

Do not handle until all safety precautions have been read and understood.

Danger May cause serious eye damage (*Part A*)

Danger May cause allergy or asthma symptoms or breathing difficulties if inhaled *(Part B)*

To avoid breathing fume or mist. ***Unlikely*** to be exposed, as item is not volatile.

Warning Suspected of causing cancer. Causes skin, eye, and respiratory irritation. May cause an allergic skin reaction.

6. Award modernisation report

The CWU is continuing to meet with Telstra with a view to developing a single modern enterprise award to replace the eleven existing awards which underpin working conditions in Telstra.

The provisions of these existing awards have been considerably pared down over the years through processes like the "stripping back" that occurred under the Howard Coalition government. But they still protect core conditions such as the 36 ¾ hour week and set a strong safety net for collective bargaining.

They also represent the outcome of a long engagement between a technologically complex and diverse company and its employees. So streamlining these 11 awards into one modern award is no easy task, especially if conditions which have been won in the past and are still relevant in the present are not to be lost in the process.

The CWU and other Telstra unions are slowly working through the issues but as yet no agreement has been reached with Telstra as to what the award will finally look like.

Key issues include:

- **Coverage** – will the new award cover all Telstra employees or might some sections of the workforce be covered by a separate award such as the Retail Services Award?

- **Redundancy** – the current Redundancy Award is quite different from the Telstra Redundancy Agreement which has set entitlements in this area since 1993 and now forms part of the Telstra Enterprise Agreement.

  For instance, the Award provides no payouts for redundancy, just periods of notice.

  So the question is whether the old Award is still the appropriate reference point for the "safety net" redundancy entitlements in the modern award and, if not, what should take its place.

- **Classifications –** the classification structures in the current awards do not necessarily match up with those currently used in Telstra under either the Workstream or Job Family models.

  In the last Enterprise Agreement Telstra and the CWU agreed to review current pay and classification structures in the company. This process hasn't started yet but it will obviously need to be coordinated with the award modernisation discussions.

While these questions remain unresolved, we are still pushing on and are currently reviewing the hours of work, penalty payments, rest breaks and public holiday provisions of the awards. Again, though, nothing has been finalised in these areas – a situation which reflects in part the uncertainty on both sides as to what a single modern Telstra award should look like.

If agreement cannot be reached on this question, however, it is something that the Fair Work Commission will decide.

7. Telstra superannuation update

Since the previous report in the E-bulletin on this issue, the CWU has met with Telstra regarding the 3% ex-CSS member productivity payment. The main concern raised was Telstra's intention to move .25% of the productivity payment across to the 9% superannuation guarantee contribution, making it 9.25%.

Both Telstra the Telstra Superannuation Board representatives have now confirmed that this has no effect on members' total superannuation benefit as both the current 9% and 3% contribution are paid into the one fund.

Telstra advised that the shifting of the .25% simply enabled them to identify that the 9.25% guarantee was being paid. The other effect is that transferring the payment across to the superannuation guarantee contribution means that this is now counted as salary for redundancy purposes.

Accounting for the .25% guarantee increase in this way does then raise the question of payment of the .25% EA increase. Telstra has advised that the .25% will be paid as remuneration. This is consistent with the principles that were discussed during EA negotiations, i.e. some employees will receive a salary increase instead of the super increases. This applies to employees who currently already have minimum super contributions that are higher than the super guarantee.

However, notwithstanding this, Telstra has also agreed that members may also elect to have the .25% salary sacrificed into their super.

Members are reminded that they should get independent advice when dealing with their superannuation.

8. Broadcast Australia Enterprise Agreement

The CWU has now concluded negotiations for a new Enterprise agreement in Broadcast Australia (BA).

Our negotiation team included at various times representatives from WA, SA/NT, Vic, NSW, Qld and Radio Australia. We held a number of telephone hook-ups to caucus and to negotiate with BA. We thank our BA representatives who took the time and trouble to participate in negotiations, consult other members and to present the various issues.

This is a summary of the significant changes that have been achieved:

Clause 20 Travel and accommodation expenses - Will now be paid after 3 days - The days do not need to be consecutive - The allowance is increased from $15.00 to $17.26 (allowance is tax free) - New rates from 1 July 2013 - Will be increased in line with salary each year - Removal of limit to “3 meals a day” and inserts “reasonable meals per day” - Cause will continue to apply to training (will not be changed now)

C**ause 29 On Call Allowance -** Week day rate increased from $50.00 to $57.54 - Public Holiday rate increased from $100.00 to $115.08 - A new weekend rate of $65.00 (up from $50.00) - New rates from 1 July 2013 - Will be increased in line with salary each year

TOIL Bank - Bank has been increased from 3 days to 5 days

New classification Radio Australia Radio Australia Technicians will have a new classification of RBT3

General - A new fatigue management provision - Unpaid leave can be taken in conjunction with LSL (similar to half pay LSL) - Improved consultation clause - Improved dispute resolution clause particularly mediation - Clarification of clause 2

Salaries Kept the CPI plus 1% formulae for pay increases.

We do not believe that we can now achieve any further gains through negotiation so it is now time for members to assess the final agreement.

We have not achieved everything we wanted in this round of bargaining, but we have made significant gains as well as guaranteeing real pay rises i.e. above the rate of inflation.

9. NBN CEO Mike Quigley resigns

NBN Co CEO Mike Quigley has resigned amid ongoing reports of internal conflict in the company and mounting network roll-out problems.

It has been no secret that the Coalition intended to replace Quigley in the event of its winning the forthcoming federal election. And it has been widely rumoured that Board Chair, Siobhan McKenna, was seeking his replacement irrespective of the election outcome.

All the same, coming at this time, the resignation must raise further questions about the current state of the NBN project, especially at the construction level.

The March revisions to roll-out targets, the persistence of skill shortages, the evident economic difficulties experienced by contractors and sub-contractors and, most recently, the asbestos problems all point to major difficulties in the execution of the roll-out.

Mike Quigley: pressure has mounted over the last 6 months.

The intensely politicised nature of the project has made sensible public debate over these difficulties almost impossible – a situation which must, in turn, have put intense pressure on Quigley personally.

In his departing remarks Quigley described the NBN as a “tough” project. This surely is a massive understatement. Despite frequent comparisons to the Sydney Harbour Bridge or the Snowy Mountains Scheme, the NBN is in fact a more ambitious project than either for the very reason that it is not geographically confined.

It involves a fully national construction programme in which a network which took over 100 years to build is to be replaced in less than ten years from now. The logistic challenges involved are immense, even without the inefficiencies imposed on the roll-out as a result of political imperatives.

The practical difficulties involved, while not necessarily technologically complex, are time (and hence money) consuming. Pits which are perfectly “fit” for current purposes may be too small to house NBN equipment and so have to be wholly replaced. Lead-in conduit (now NBN’s property) may similarly have to be renewed. Does anyone know how much is direct buried?

And the same problems will confront the Coalition should it get to implement its FTTN plan. It is surely impossible to produce anything other than a rough estimate of the amount of copper which will need to be replaced to make it fit for VDSL purposes.

There is no argument about the need for Australia to modernise its telecommunications infrastructure. It is hard not to conclude, however, that the political heat needs to be drawn from the national discussion of this issue if we are to identify a realistic, practical and sustainable plan for achieving that goal.

In the absence of an essentially bi-partisan approach, future NBN Co executives are likely to meet the same end as Mike Quigley.

10. Service Stream extends trading halt

NBN Co and Telstra contractor, Service Stream, has extended its trading halt a second time as it struggles to deal with a "material loss" associated with the NBN roll-out.

As reported in earlier E-bulletins, Service Stream shares were first suspended from trading on 18 June, with the initial two week halt being subsequently extended until 8 July. The company has now been granted a further five week extension of time up to mid-August when it is due to announce its full year results.

It seems unlikely that they will make pleasing reading for investors. In a statement Service Stream said that its review of Syntheo, its joint venture with Lend Lease, was close to completion and that the venture was expected to record a "material loss" for this financial year.

Contributing to those losses will be the costs of any penalties flowing from Syntheo's failure to meet contractual obligations to NBN Co. Earlier this year the venture handed back work on the Darwin section of the NBN roll-out and industry reports continue to suggest that Service Stream will now seek to exit all volume roll-out work.

Problems such as those facing Service Stream obviously have flow-on effects not only for the company's relatively small number of direct employees but for the many contractors and sub-contractors whom it has been engaging on the roll-outwork to date.

The CWU continues to receive reports from all around the country of underpayment and delayed payment of these workers.

The CWU continues to believe that, irrespective of the outcome of the next federal election, the NBN roll-out must be placed on a sustainable footing. The funding, coordination and day- to- day management of the construction phase must be such as to provide stable, safe employment at industry- standard pay levels for all who work on it.

This is patently not the case at present.

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