E-BULLETIN Telecommunications

#23. Friday, 13 December 2013

1. Telstra proceeds with voluntary redundancies

Telstra is proceeding with the voluntary redundancies in Customer Service Delivery (CSD).

The formal offers follow an initial invitation for expressions of interest and a period of consultation with the CWU about just how the redundancies should be processed.

The CWU has insisted that the redundancy procedures in the current Enterprise Agreement be followed in this exercise. We have been concerned that the voluntary nature of the redundancies not be used as a pretext for by-passing those processes, including the provision of information to the union about the location of the jobs affected and the number in each location.

Having failed to reach agreement on these issues, the CWU lodged a dispute with the Fair Work Commission.

The matter was heard on Tuesday 3 November and resulted in Telstra agreeing to provide the information about locations sought by the CWU.

Telstra has also agreed to meet with the CWU with a view to getting agreement about how any such large scale voluntary redundancies should be dealt with in future.

State branch officials are now in a position to assess the impact of the redundancies in particular locations, consult with members in these areas and to assure themselves that the redundancies are indeed voluntary.

Any members involved in this process who are unsure about the procedures or their entitlements should contact their state branch.

2. CWU meets with Telstra on NBN training

The CWU met with Telstra on 11 December to receive the latest update on the company's NBN-related training programme.

Under the agreements between Telstra, NBN Co and the Commonwealth negotiated in 2011, Telstra receives $100 million from the federal government to retrain employees in NBN-related functions.

The CWU has a role in monitoring the implementation of the training programme and attends quarterly briefings on progress.

At the most recent meeting, Telstra reported that it is continuing to develop new NBN-related courses as well as to train employees in courses developed over the last two years.

Much of the future NBN-related work will be inside the customer premises.

For field staff, the Digital Home programme is the most widely delivered course, with some 300 people having been trained in this area in the 6 months up until December and a similar number expected in the next 6 months.

CTs are also now receiving Telstra Platinum training designed to equip them to deliver high-end customer services in the consumer area.

Training is also getting underway in some design and construction areas.

Telstra has confirmed that most staff offered the opportunity for retraining are keen to take advantage of it. Indeed the CWU is aware of there having been considerable frustration among some members who have had difficulty getting release to attend the courses.

Any members in this situation should contact their state branch.

3. Optus award modernisation

The CWU is continuing its discussions with Optus about the creation of a modern Enterprise Award for the company. The parties have met twice since the matter was reported on in the last E-bulletin.

Optus has indicated a strong preference to continue on with an enterprise-specific award such as it has now.

The CWU's view is that support for such an award would be in line with our position in relation to Telstra. The fact is that the telecommunications industry continues to be highly concentrated and Telstra and Optus still stand out over and above the rest of the industry as full-service carriers. They are more complex businesses than the smaller companies to which the general industry award (the Telecommunications Services Award) may apply.

At the same time, the CWU wants to ensure that Optus employees are at least as well off on a modern Enterprise Award as they would be if the Telecommunications Services Award (TSA) was providing the relevant "safety net" for future agreements.

Current discussions with Optus are focussed on this question. We are going through the TSA and the draft Optus modern award to see what – if any- adjustments need to be made to ensure the best outcome for Optus employees.

Optus members will be kept informed about the progress of these discussions.

4. NBN Strategic Review: key pieces of jigsaw still missing

The Strategic Review conducted by NBN Co into the progress of the NBN project was released on 12 November.

But key information about the actual costs of the project has not been made public.

As expected, the Review has confirmed what all in the industry have long known: the project's real costs and timetable have for some time borne little resemblance to what has existed on paper, even with continual re-jigging of targets in successive corporate plans.

There is still more to learn about the costs of the NBN roll-out.

That is why so many of the companies involved in the project, from the prime contractors down, have been losing money.

The Review has found that neither the former Labor Government nor the present Coalition have made realistic estimates of the total costs of their models.

Labor's Fibre-to-the-Home model is estimated to have end up costing some $29 billion more than planned – and taking a further 3 years to complete.

But the Review also found that the Coalition's mixed technology plan will itself cost $41 billion, an increase of close to 40% on the Coalition's pre-election estimates. It also found that the Coalition's short-term target of providing broadband speeds of 25Mb/s to all Australians by 2016 was not achievable.

These sobering –but unsurprising – findings can bring no joy to either side of politics. They point to a mishandling of communications policy by both Coalition and Labor governments over many years – above all in the area of fixed network investment. At some stage the full extent of those failures and their implications for future policy development must be assessed.

In the short term, however, the task is to re- establish the NBN project on a realistic economic footing. But here two key pieces of information – the current actual cost per premises passed by the NBN and the estimated costs of copper remediation –have not been made public.

Labour costs make up the bulk of both these items. As the CWU has insisted for some time, it is critical that a re-booted NBN roll-out be based on a labour budget that reflects not only fair rates but also training costs and costs of health and safety compliance.

Without an open and realistic consideration of these basic questions the project will continue to founder.

5. Industry consolidation: TPG buys AAPT

In another sign that the world of superfast broadband may see fewer major players in the market, TPG has acquired AAPT from Telecom New Zealand for some $450 million.

The sale completes the sell down of Telecom New Zealand's holding in the troubled business which it acquired in 1999 for $2.2 billion. AAPT's consumer division was sold to iiNet in 2010 for $60 million.

But while iiNet's move was aimed at quickly expanding that company's customer base, TPG's is predominantly an asset play.

The acquisition will expand TPG's infrastructure holdings to include an extra 11,000 kilometres of inter-capital and backhaul fibre.

Critically, it will allow TPG direct access to 101 out of the 121 NBN Points of Interconnection (POIs), positioning the company to be a fourth infrastructure-based competitor (along with Telstra, Optus and iiNet/Internode) in the wireline broadband market.

Is further consolidation between these companies – and middle order players like M2 – on the cards?

Much will depend on the way the economics of the NBN play out once pricing for access to that network has been finally settled and retailers have had the time and opportunity to build some real scale.

The signs to date, however, suggest that only those with deep pockets and a wide customer base are likely to thrive in the emerging fixed network environment.

6. NZ broadband roll-out strikes difficulties

Australia is not the only country where an ambitious broadband roll-out is facing problems.

A recent decision by New Zealand's competition regulator is posing a serious challenge to the funding of that country's Fibre-to-the-Home project.

New Zealand has adopted a different model for its FTTH roll-out from that developed in Australia. Rather than being fully government funded as is the case here (at least in the first instance), New Zealand's national fibre network is a joint venture between government and industry.

The lion's share of the roll-out is being undertaken by Chorus, the network construction and operation company that was spun off from Telecom New Zealand in late 2011. And revenues from its existing copper assets have been a key source of funds for its part of the national fibre build.

So the decision by the New Zealand Commerce Commission to cut copper access prices by nearly 30% spells trouble for the funding of the fibre project.

At the same time, it is likely to retard the switch from copper to fibre. Unlike Australia, New Zealand will not be requiring customers either to migrate to its fibre network or go without a fixed line altogether. So cheaper copper prices mean that both retail service providers and their end customers are likely to stay with copper longer – not least because fast broadband via Fibre-to-the-Node is already available in many areas.

It remains to be seen how – and whether – NZ will resolve these difficulties. In the meantime, the situation is a reminder that it is not simply technology, but economics and regulatory policy as well, that determine outcomes in this industry.

7. Vale Nelson Mandela

"The kind of democracy that we all seek to build demands that we deepen and broaden the rights of all citizens. This includes a culture of workers' rights."

Nelson Mandela 1908 -2013.

Nelson Mandela, the "father" of post-apartheid South Africa, has died at the age of 95.

Mandela's extraordinary life as an anti-apartheid leader and eventual President of his country was characterised by some 70 years of continuous and active commitment to the pursuit of a democratic and non-racist South Africa.

He joined the African National Congress – the chief vehicle of the fight against apartheid – in 1943 and was one of the co-founders of the ANC Youth League the following year. By 1950 he was a member of the ANC's national executive committee.

He was soon targeted by the apartheid regime. In 1961, after a 6 year trial process, he was acquitted of charges of treason but he was arrested again soon after and charged with acts of sabotage aimed at aiding guerrilla warfare, and facilitating violent revolution and armed invasion.

Found guilty in 1964, he and his colleagues were sent to Robben Island where he remained until his release in 1990. He emerged, unbroken, to take over the leadership of his country.

While Mandela is recognised first and foremost as a fighter for racial justice, he was also a strong supporter of workers' rights. He was profoundly influenced by the 1946 African Mine Workers Union strike. He learned organizing skills from AMWU activists and would become a champion of the miners, telling workers, "It is your sweat and blood that has created the vast wealth that white South Africa enjoys."

He served to the end of his days as the honorary president of South Africa's National Union of Mineworkers and declared himself to be "fully committed to the protection of the integrity of the collective bargaining system."

For its part, the Australian union movement played a significant role in the fight against apartheid from the 1960s onward, organising and enforcing shipping and trade boycotts against the racist South African regime and forging links with black African trade unions.

In a visit to Australia soon after his release in 1990, Mandela thanked Australian unions for being among the first to offer support for the struggle in South Africa.

Australian unions can be justly proud of the role they have played in supporting what was one of the most significant struggles for social justice in the 20th century.

8. Xmas greetings – and a Xmas warning

This is the time of year when TV screens are full of warnings about the Xmas party you wished you hadn't gone to – or at least not drunk quite so much at before you tried to drive home.

But the party that the road safety authorities don't warn you about is the one with the boss.

Over the years the CWU has had to handle a number of cases where these parties have ended in tears – usually after some truth- telling to managers by employees who were feeling a little too relaxed for their own good.

Members are reminded that just as there is no such thing as a "private" blow-off at the employer or the company on social media, there is no such thing as a private altercation with management at the office party.

That said, the E-bulletin wishes all its readers a festive, but safe, Xmas and a decent break after what has been a busy and challenging year.

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