

E-BULLETIN Telecommunications

#10. Friday, 13 June 2014

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1. NBN Co, Telstra to conduct 1000-node FTTN trial

Telstra will conduct a 1,000-node FTTN trial as part of the NBN roll-out according to Communications Minister Malcolm Turnbull.

Speaking on the ABC's 7.30 programme on Thursday 6 June, Turnbull said that NBN Co was currently "finalising the discussions with Telstra to do a big thousand-node trial which will then roll into the full fibre-to-the-node rollout".

No details were offered as to the location –or locations - of the trial but it would make sense for it to include either a major regional or urban fringe area.



The actual cost of remediating Telstra's "last mile" copper remains unknown.

One of the many unanswered questions about the NBN roll-out is the best way of servicing premises that lie on the edge of the wireline/wireless border of the network. A relatively large-scale trial could be expected to shed light on this question.

And it should also provide further insight into the state of the copper "last mile" that the NBN will use under the Coalition's FTTN model.

It is this section of the network which, above all, has suffered as a result of maintenance short-cuts over the last

decade or more. The costs of such remediation as will be needed to ensure it can support the Coalition's performance targets still remain unknown.

Last but not least, the trial should help clarify questions as to how this section of the roll-out can be delivered most efficiently from a construction point of view ie. what role Telstra and the current NBN Co prime contractors will play, respectively.

The CWU will be pursuing this question with Telstra in the coming weeks.

2. Telstra to trial new automated dispatch system

Telstra has notified the CWU that it will shortly commence a trial in Adelaide of a new automated scheduling and dispatch system.

The trial will begin on 10 June and run for approximately three weeks.

Telstra says that the trial will utilise existing functionality within CONNECT, known as the Background Optimiser ('BGO'). The BGO is said to consider locations, skills, distances, task priority and street level routing to build a work schedule and make live changes throughout the day.

Staff involved in the pilot are:

- Wireline, Professional Services and ISGM field teams from Adelaide and surrounding areas
- Field Deployment Officers and Field Deployment Support staff in the Adelaide workflow team.

Many CWU members will recall the inefficiencies –not to say absurdities – that arose from Telstra's initial introduction of such an automated system, Director, in the 1990s. Field staff found themselves dispatched to jobs that would have required them to drive vehicles through lakes.

The related move away from job batching found employees passing one another in the same street as they went to and from jobs.

Technology – most notably GPS – has moved on since that time as have Telstra's dispatch systems. In the CWU's experience, however, there is still no substitute for local knowledge and individual dispatcher experience and initiative in this area, particularly in relation to health and safety.

The CWU has requested further consultation with Telstra on the trial and its implications for staff.

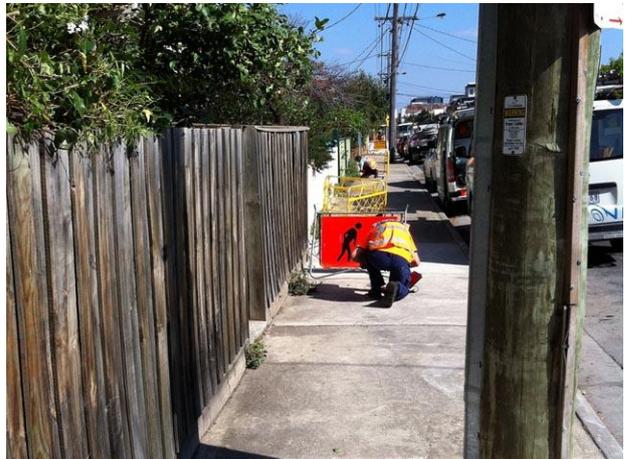
3. NBN Co renews Service Stream contract

Service Stream has signed up for a new two-year field services contract for NBN Co with an estimated value of \$140 million.

The contract also has two optional one-year extensions.

The contract will involve Service Stream connecting lead-ins as well as doing the installation of the NBN connection box and optional power supply unit inside the premises. The contract also provides for the ongoing maintenance of the network.

Service Stream will continue to perform the field services role across five states and territories: Victoria, New South Wales, Western Australia, the Northern Territory and South Australia.



4. Third of NBN connections faulty: report

About a third of the premises supposedly connected to the NBN can't receive service, according to media reports.

A report in the Fairfax press' *Australian Financial Review* on Friday 6 June claims that about 118,000 of the homes and businesses which the NBN deems to be "serviceable" can't in fact get internet access because of "defective connections".

These are over and above the 98,000 premises classed as “service zero” – largely multi-dwelling units where both legal and cost problems have proven a barrier to connecting the network at all.

It is not entirely clear from the report what proportion of the 118,000 premises at issue are not actually connected to the network as opposed to having a faulty connection. The article cites a number of problems:

- The presence of “damaged or missing” lead-in conduit
- “Inferior” connections, reflecting roll-out timetable pressures
- The high cost of lead-ins, especially in suburban fringe areas where lead-in lengths can be considerable.

None of this will be news to those who have followed the roll-out closely. The scale of the problem, however, is startling.

The CWU has pointed to the high proportion of splicing reworks occurring in some areas as a sign that cost pressures, combined with skill shortages, were creating inefficiencies.

And last year NBN Co itself estimated that the average cost of connection to the premises was some 50% higher than had been formerly allowed for in the company’s Corporate Plan – and, presumably, in contract prices.

NBN Co says it is currently in negotiations with its prime contractors to address such issues through revised contract prices. But unless those funds flow down to those actually doing the work and unless proper training is provided to them the problems will remain.

5. Unions march against Hockey budget

Union-led “Bust the Budget” rallies and meetings held in Sydney and Melbourne on 12 June attracted thousands of people. Over 20,000 people attended the Melbourne rally organisers estimate.



The Melbourne march was attended by a broad cross-section of the union movement, including nurses, teachers, construction workers and aged care workers.

CWU members marched under a “Hands Off Aussie Post” banner. Although the Abbott government has said it will not privatise Post – at least in this term – cost cutting measures being adopted by Post management are another sign of the times.

CWU Victorian secretary (Postal and Telecommunications) Joan Doyle says that job cuts at Post and proposed cuts to postal deliveries are in line with the government’s overall attack on social services and living standards.

Unions representing some of the country's lowest-paid workers in industries such as hospitality and aged care, told the crowd that “we deserve a government that supports us, not hurts us”.

“We are out on the streets today because were angry at a government who wants to make us work harder and work longer for less money,” United Voice state secretary Jess Walsh said.

"Any were angry at at a government who wants to make us only be able to go to the doctor if we can afford to pay . . . who wants to deny our children to go to university, to better themselves and to have hope for the future."

6. Government can't "promise equality" says Hockey

Federal Treasurer, Joe Hockey, has gone on the front foot over claims his budget is unfair, saying that only "old style socialism" could deliver "equality of outcomes" in any society.

"We have moved on," says Hockey.

But where to?

Criticism of the Hockey budget has come from a wide range of sources, not just from the labour movement and the "class warriors" of the Opposition, as Hockey sees them. Welfare groups, students, pensioners, doctors and even former Liberal leader John Hewson have said that it is inequitable.

Hockey says these criticisms are "political"! But then so is the government's Thatcherite vision of a society where everyone is essentially on his/her own in life's race, with government providing only the flimsiest of safety nets.

Old age, unexpected illness, work-related injuries and disease, lack of educational opportunity, racial and sexual prejudice, redundancy arising from structural change – these realities play no central part in the Coalition's political outlook.

In fact not only does the Coalition want to ignore those things that stand in the way of "equality of outcomes" in our society - the measures announced in the budget will actually *increase* social inequality by increasing the cost of essential services such as health care and higher education.

The Hockey budget sets Australia on the road to experiencing the kind of inequalities that are now being seen in the US and parts of Europe. That a large number of Australian's reject this path is becoming clearer every day.

7. Restaurant owner paid young employees in pizza and soft drink

The owner of two Melbourne restaurants who paid his teenage employees with pizza and soft drink has been fined more than \$330,000.

The Fair Work Ombudsman found 111 workers, mostly teenagers and some of them as young as 13, were underpaid a total of \$258,000 over a three-year period at the Pakenham and Berwick outlets of La Porchetta.

In a judgement handed down in the Federal Circuit Court, Judge John O'Sullivan said the practice "belongs in the dark ages".

The court heard Ruby Chand, of Tecoma, who owned the franchises, claimed the employees were given half-price pizza and soft drink which was being offset against their wages and entitlements.

The workers were paid flat hourly rates which were below the minimum they were entitled to, trainees and apprentices were not paid the minimum number of hours they were employed to work and leave entitlements were underpaid.

Let's be frank about this. If the wealthy are to retain their advantage, the rest of you are going to take a hit - and I think that's OK.



Chand was fined \$55,803 and his two companies which operate the restaurants were each fined \$139,507.

The companies were also ordered to pay back more than \$79,000 in outstanding entitlements.

In 2007, 2008 and 2009 the same companies were ordered to reimburse underpaid workers.

Source: ABC News.

8. Vodafone report reveals scope of global surveillance

Vodafone, the world's second largest mobile phone group, has revealed the existence of secret permanent access to its networks from government agencies in at least six of the 29 countries in which it operates.

Vodafone says that in those countries authorities have inserted their own equipment into the network or have diverted all data through government systems so they can permanently access customers' communications.



Vodafone did not name the countries, saying it feared that governments could revoke licenses to operate and in some cases pursue legal action against Vodafone employees. It did, however, name a number of countries which had made it legal to demand such unfettered access - Albania, Egypt, Hungary, Ireland and Qatar.

Under Australian law, interception of telecommunications is illegal without specific authorisation. But that doesn't mean our police and intelligence agencies aren't heavily involved in surveillance.

According to Vodafone, Australian agencies made 685,757 requests for details about calls, such as where they were made and to whom. It intercepted 3,389 calls.

These numbers may seem modest, but in fact they are quite high when you consider Vodafone only has some 5 million customers in Australia. In Britain where Vodafone has 20 million customers it received fewer requests (514,608) and made fewer (2,760) interceptions.

The growth of such surveillance and its increasingly global sweep is one of the chief threats to civil liberties in our times.

9. Rising income and wealth inequality—“a central economic truth of our time”

It is a rare moment when the financial press offers an unflattering picture of the way the global economic system works – or doesn't work.

But that's what *Financial Times* has done in the light of recent figures released by the US Federal Reserve Board.

Around the world, there is a growing gulf between the super-rich – the top 1% - and the rest. This, says the *Times*, is a “central economic truth of our times”.

The US figures show that the nation as a whole is richer than ever before. Total US net worth has risen to a record US\$81.8 trillion, up US\$1.5 trillion in the first quarter of 2014 and up nearly US\$13 trillion compared to the previous peak, before the 2008 financial crash.

But that's where the good news ends.

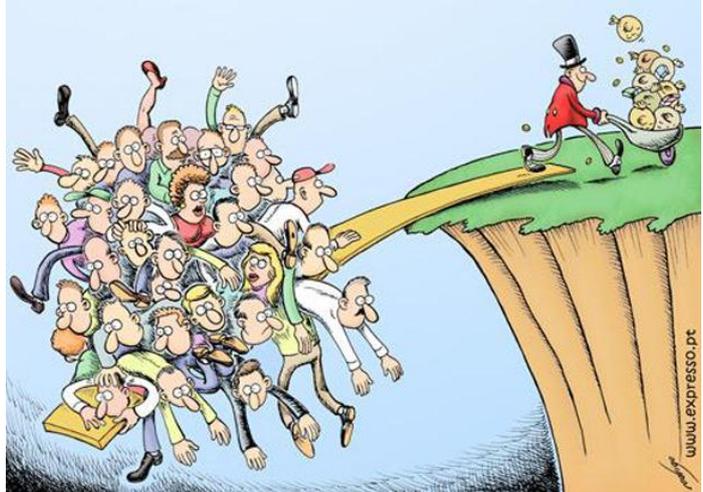
The fact is that the majority of that increase in wealth flowed to the super-rich in the form of higher share prices and rising property values. Figures show for instance, that the sale value of the top 1% of properties in the US rose 21 percent in the first 4 months of this year, while the sale value of the remaining 99 percent of homes have fallen 7.6 percent.

These facts help explain why an increasing number of US families struggle to make ends meet even when the official statistics suggest that the US, taken as a whole, is getting richer.

In fact while total household wealth has risen 43 percent since the depths of the economic slump in 2008, there has been an actual decline in median household income, down 7.6 percent since the same time. That in turn reflects the decline in the real value of wages and the growth of low paid jobs over the same period.

In short, recent policies pursued in the US – and around the world - designed to prop up stock markets, banks and the global financial system have largely benefited the already wealthy rather than stimulating overall growth.

As the American Dream fades, these trends are a warning to Australian working people of what lies ahead under the Abbott government.



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